

Employment Development Department

Information Technology Capital Plan



Information Technology Capital Plan, Plan Year 2009-10 through 2013-14 Executive Approval Transmittal

Department Name

Employment Development Department

APPROVAL SIGNATURES

I am submitting the attached Information Technology Capital Plan as required by the State Administrative Manual Section 4904.

I certify that the IT Capital Plan was prepared in accordance with State Information Management Manual section 57 and that the proposed IT projects are consistent with our business strategies and information technology strategy.

I have reviewed and agree with the information in the attached Information Technology Capital Plan.

Chief Information Officer		Date Signed
Signature on File		
Printed name:	Dale Jablonsky	
Information Security Officer		Date Signed
Signature on File		
Printed name:	Dale Morgan	
Budget Officer		Date Signed
Signature on File		
Printed name:	Laura Anderson	
Department Director		Date Signed
Signature on File		
Printed name:	Patrick W. Henning	

DEPARTMENT IT CAPITAL PLAN

Department Name and Org Code:

Employment Development Department
7100

Plan Year:

2009-10 through 2013-14

1. Summarize your organization's business goals and objectives below:

See Attached Department Strategic Plan

2. What are your organization's plans to upgrade or replace your IT infrastructure for the following? When responding, please indicate the timeframes of your intended upgrade or replacement efforts.

2.1. Hardware

The EDD follows a practice of replacing approximately 20-25 percentage of its enterprise hardware, infrastructure every Fiscal Year (FY) based on aging of the equipment. The EDD adheres to the methodology that equipment replacement must technologically integrate with the existing and planned enterprise architecture. The EDD incorporates upgrades and refreshes in all replacement efforts as part of its regular planning processes. The Department plans for and works towards budgeting for the dollars necessary to support the purchase of this hardware. In addition to the hardware purchases, EDD plans and manages annual hardware maintenance, as necessary, as part of the yearly budget building process. The infrastructure components incorporated in these annual replacement processes are networks, servers, and personal productivity hardware Personal Computers (PC), laptops, and monitors.

The EDD's server infrastructure and associated tools are also planned, managed, and budgeted using the same model as the overall enterprise architecture. In order to meet the needs of EDD (i.e. end-of-life equipment replacement, department automation requirements, and departmental growth) it is necessary to deploy, replace, and maintain computing hardware, software, appliances, and services. To ensure that the computing infrastructure is kept current with today's technologies, the purchase, refresh, and upgrade of the infrastructure is required on a fluid and consistent basis. The replacement path includes: FY 2009-10 application server, security services, and Local Area Transport Area (LATA) critical site replacements as well as core services; FY 2010-11 LATA remote site, storage, and security replacements; FY 2011-12 print appliance/printer server, Thin Client servers, and additional LATA remote sites replacements; and FY 2012-13 additional LATA Hub and remote sites, storage, and core services replacements.

The EDD's employees and customers are dependent on personal productivity equipment (PCs, monitors, printers, and laptops) to conduct EDD's business and support the department's mission. Equipment refreshes are integral to ensure that the equipment remains functional and does not negatively impact productivity. EDD plans to replace equipment every five years. Unemployment Insurance (UI) was the last program area to receive upgrade equipment that effectively supports the XP operating system. The replacement plan for personal productivity equipment is: FY 2008-09 – San Diego Area (LATA 6) and San Francisco Area (LATA 1). Additional refreshes are scheduled to commence during FY 2010-11.

Imaging Center of Excellence – Based on the magnitude of effort and cost of both Tax Engineering and Modernization (TEAM) and Document Management Refresh and Consolidation (DMRC) projects, EDD plans to change the methodology of how this solution will be refreshed. EDD now plans on refreshing each major sub-component (Mail Opening, Scanning, Remittance Processing, Data Purification, Document Management System and Infrastructure) one per fiscal year. This process shall make it easier to budget, implement and transition from a current sub-component solution today, to a possible new sub-component solution in the future due to additional functionality requirements to handle inter-agency processing.

- FY 2009-10 – Scanning Replacement
- FY 2010-11 – Mail Opening Replacement
- FY 2011-12 – Document Management System and Infrastructure
- FY 2012-13 – Data Purification and Remittance Processing

2.2. Software

The EDD's continued migration to a centralized IT environment has provided opportunity to benefit from the Core Client Access License (CAL) licensing structure to the Enterprise CAL structure. EDD will upgrade the following enterprise services:

- SharePoint 2003 to 2007 – FY 2008-09
- Server 2003 to Server 2008 – FY 2008-09 to FY 2010-11
- Structured Query Language (SQL) – FY 2008-09
- Office 2000 to Office Enterprise – FY 08-09 to FY 2010-11
- XP OS to Vista OS – FY 2008-09 to FY 2010-11
- Management Server – FY 2008-09 to FY 2010-11

2.3. Network

The EDD network switch environment, both hardware and software, are also planned, managed and budgeted using the same model as hardware and software with strict adherence being paid to the overall enterprise architecture. In the first year, FY 2008-09, the refresh plan for the Central Office (CO) network switch refresh and Packeteer Network Monitoring Devices will be begin with the intention of finishing the projects the following year. The second year, FY 2009-10, San Diego LATA, CO network switch refresh, Packeteer Network Monitoring Devices, and the Distribution Closets switch environment at the CO Complex will be completed and/or continued. In the third year, FY 2010-11, San Francisco LATA, CO network switch refresh, and Distribution Closets CO Complex will be completed. The fourth year, FY 2011-12, will be the start of the Los Angeles LATA network switch refresh. In year five, FY 2012-13, Los Angeles LATA, Modesto LATA, and Fresno LATA will be completed.

3. Existing Approved Reportable IT Projects

Provide the following information regarding your existing approved reportable IT projects on Table 1 on the following page:

- Existing IT Project;
- Approved Project Cost;
- Project Number; and
- Implementation Date

4. Proposed IT Projects

After each proposed IT project has been documented by answering questions 4.9.1 through 4.9.15 of the attached IT Project Proposal Form, provide the following information on Table 2 on the following page:

- The name of each proposed IT project;
- The priority ranking;
- The FSR submission date; and
- The estimated cost

Table 1-Existing Approved Reportable IT Projects Summary by Department

Existing IT Project	Approved Project Cost*	Project Number	Implementation Date
Unemployment Insurance Modernization Project	\$125,993,758	7100-181	June 2012
Automated Collection Enhancement System (ACES) Project	\$ 93,911,328	7100-189	June 30, 2010
Disability Insurance Automation (DIA) Project 6/29/2007 Unplanned SPR	\$ 32,699,746	7100-192	June 30, 2011
Telephone Claim Filing Web (TCFW (formerly Web Based Claim Filing - WBCF) SPR 2	Last approved project costs \$12,072,815 Revised project costs **\$18,300,000	7100-175 (Previously No: 5100-175)	February 17, 2012

***Note:** If a Special Project Report (SPR) was submitted for review in July 2008 that includes project costs that differ from the last approved project document, enter both the last approved project cost and the revised project cost from the SPR under review.

****The TCFW SPR 2 is pending submission to Chief Information Officer (CIO) and Department of Finance (DOF) in FY 08-09.**

Table 2-Proposed IT Project Summary

Proposed IT Project	Priority Ranking	FSR Submission Date	Estimated Total Cost (Million)
E-Discovery & Litigation Holds	1	09/2009*	\$ 3,381,000
Employment Tax System (ETS)	2	07/2009	\$155,853,000
Document Management System (DMS) Expansion (Leveraging Imaging & Benefits Domain)	3	07/2009	\$ 32,700,000
Document Management System (DMS) Application Platform Upgrades	4	09/2009*	\$ 10,270,000
Document Management Systems (DMS) Re-engineering (TAX, UI & DI)	5	07/2009*	\$134,900,000
California Workforce Investment Network System (CalWINS)	6	09/2008	\$ 2,748,000
Legacy Database Modernization	7	09/2009	\$ 15,145,000
Convert Disability Insurance Branch's Legacy to .Net	8	07/2011	\$ 79,508,000
Tax Application Platform Upgrades	9	07/2009*	\$ 5,750,000
Joint Agency Data Sharing (BOE, FTB, & EDD)	10	07/2011	\$ 25,255,000**

*** If Required under State Administrative Manual (SAM) Guidelines**

**** Joint Agency Data Sharing project's estimated total cost is the total cost (\$25, 255,000) of the project. EDD costs, which include hardware and development (but are exclusive of procurement and FSR related costs) costs are \$3,154,330 for FY 11/12, \$2,600,000 for FY 12/13, and 2,704,000 for FY 13/14.**

4. PROPOSED IT PROJECTS

4.1.1. Proposal name and priority ranking:

E-Discovery and Litigation Holds: Priority Rank: 1

4.1.2. Description of the proposed IT project:

To establish the infrastructure and procedures necessary to identify and preserve information and materials that may constitute evidence for reasonably foreseeable litigation, otherwise known as a "litigation hold" and the later use of information and materials to meet "discovery requests" when litigation follows.

4.1.3. Which of your department's business goals and objectives does this project support, and how?

Goal #5 - Keep our programs, services and information secure.

Will meet legal compliance by capturing and retaining data related to litigation hold requirements pursuant to legal mandates.

4.1.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- This project will provide data requests in a timely manner for litigation and public requests for information, reduce identification, preservation and collection costs associated with a litigation hold and minimize inadvertent deletion of requested data.
- The project will comply with State and Federal Rules of Civil Procedures.

4.1.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.1.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.1.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

Yes

No

4.1.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

09/2009

4.1.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

01/2010

4.1.10. What is the duration of the proposed project?

Three Years

4.1.11. Will the proposed project utilize the existing infrastructure?

Yes

No

If no, please explain.

4.1.12. Is the proposal related to another proposal or to an existing project?

Yes

No

If yes, describe the related proposal or project and how it is related:

4.1.13. Describe the consequences of not doing this proposed project at the planned timeframe:

The EDD is obligated to preserve electronic information related to known litigation and requests for public records disclosures. The law provides for severe sanctions for the intentional destruction or alteration of evidence, as well as for the destruction or alteration of evidence in the ordinary course of business, because there were no policies in place to prevent it once litigation appeared likely.

4.1.14. Check the appropriate box(es) to identify the proposal's funding strategy:

Augmentation needed

Redirection of existing funds

Other (describe):

4.1.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund	\$127,000	\$77,000	\$77,000			\$281,000
Federal Fund	\$1,018,000	\$618,000	\$618,000			\$2,254,000
Special Fund*	\$382,000	\$232,000	\$232,000			\$846,000
Total	\$1,527,000	\$927,000	\$927,000			\$3,381,000

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – sole user of the fund

4.2.1. Proposal name and priority ranking:

Employment Tax System (ETS): Priority Rank: 2

4.2.2. Description of the proposed IT project:

Replace current Tax Accounting System (TAS) with an integrated business application. TAS is an antiquated system with significant limitations that negatively impact the overall performance of the entire Tax Branch. This project will build on and provide a stable foundation for the Automated Collection Enhancement System (ACES) project by replacing the present employment tax registration, accounting, and reporting system with a robust and reliable system to fully meet accounting and registration needs, along with the capability for integration with technology tools, enterprise security, business intelligence applications, and advanced communications.

4.2.3. Which of your department's business goals and objectives does this project support, and how?

Goal #1 - Improve access to services and information through use of information technology and partnerships.

This project will enable employers to access their accounts through a web access. In addition, the ETS will make it easier and more convenient for clients to obtain services from EDD through increased e-government initiatives and technologies enabling additional electronic reporting.

Goal #2 - Develop an integrated approach across EDD to improve customer satisfaction with EDD services.

This project will provide a platform for employment tax accounting that facilitates the implementation of changes and improves the interface of tax data with other departmental systems.

Goal #3 - Improve business processes to enhance results and reduce costs.

This project will replace the existing TAS system that was written in COBOL and originated in 1986. ETS will improve and enhance tax business processes through the use of modern and manageable information technology. Tax will be able to streamline business functions and activities. ETS will improve the integrity, accuracy and flexibility of all tax programs and systems.

Goal #4 - Build human resource capacity so that staff has the skills necessary to meet the challenges of the changing environment.

This project will replace the TAS system with a system engineered, designed and written in current technologies. This will encourage the development of the department's human resource capacity through a focus on currently available and state of the art technologies.

Goal #5 - Ensure the integrity of EDD programs, services, and information assets.

ETS will replace the current system, which has a high degree of risk of failure, with a system that has high reliability and improved data integrity.

4.2.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- Minimize the risk of unrecoverable system failure of TAS which provides accounting, reporting, and data in support of the California Employer Tax program.
- Ensure the integrity of EDD programs, services, and information assets.
- Lower maintenance cost with current system once the new system is in place.
- Recruiting of staff with proper skills will be easier as the programs used would be current and up to date with industry standards.

4.2.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.2.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.2.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
- No

4.2.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

07/2009

4.2.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

07/2010

4.2.10. What is the duration of the proposed project?

Six Years

4.2.11. Will the proposed project utilize the existing infrastructure?

- Yes
 No

If no, please explain.

This project will identify new technology and supporting infrastructure required for the ETS processes.

4.2.12. Is the proposal related to another proposal or to an existing project?

- Yes
 No

If yes, describe the related proposal or project and how it is related:

This project is related to the ACES Project. ETS would replace the existing TAS system which will interface with the new ACES program.

4.2.13. Describe the consequences of not doing this proposed project at the planned timeframe:

There is significant risk of catastrophic failure of the current TAS system, which would result in both direct and indirect revenue loss.

There would be continued high costs of system maintenance for TAS.

There would be continued use of outdated programs and considerable issues securing and maintaining staff with skills necessary to keep the outdated programs functioning.

The Tax Branch will be hampered and unable to respond to legislative or mandated program changes in a timely manner due to the complex out-dated COBOL programming used in the current TAS System that must be modified to make any changes.

4.2.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.2.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund		\$825,000	\$825,000	\$3,300,000	\$37,910,000	\$42,860,000
Federal Fund		\$1,350,000	\$1,350,000	\$5,400,000	\$62,033,000	\$70,133,000
Special Fund*		\$825,000	\$825,000	\$3,300,000	\$37,910,000	\$42,860,000
Tax						
Total		\$3,000,000	\$3,000,000	\$12,000,000	\$137,853,000	\$155,853,000

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – sole user of the fund

4.3.1. Proposal name and priority ranking:

Document Management System (DMS) Expansion (Leveraging Imaging and Benefits Domain): Priority Rank: 3

4.3.2. Description of the proposed IT project:

Upgrade existing Goethe facility (computer room), located in Rancho Cordova, Ca, for Heating Ventilating and Air Conditioning (HVAC) and electrical; and the Goethe site with generator for power redundancy. This will allow EDD to handle future workloads from Disability Insurance Automation (DIA), additional UI documents processing and Automated Collection Enhancement System (ACES) infrastructure. These tasks need to occur now in order to be completed in time for the specified projects.

4.3.3. Which of your department's business goals and objectives does this project support and how?

Goal #1 - Improve access to services and information through technology and partnerships.

Provide appropriate amount of HVAC and electrical capacity for existing and proposed computer room equipment. In addition, this will provide fault tolerance HVAC and electrical facility systems. This will provide good customer service to our users by ensuring mission critical systems remain in operation.

4.3.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- Reduce enterprise electrical costs; build in capacity with refreshed systems.

4.3.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.3.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.3.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

Yes

No

4.3.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

07/2009

4.3.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

07/2010

4.3.10. What is the duration of the proposed project?

Four Years

4.3.11. Will the proposed project utilize the existing infrastructure?

Yes

No

If no, please explain.

4.3.12. Is the proposal related to another proposal or to an existing project?

Yes

No

If yes, describe the related proposal or project and how it is related:

4.3.13. Describe the consequences of not doing this proposed project at the planned timeframe:

The facility needs to be upgraded to ensure that the infrastructure is not at risk by an inadequate HVAC system. If the systems at Goethe Tax Operations do not operate adequately, employer payroll tax deposits may not be made as required by law. The state can lose interest, revenue, which decreases the general fund revenue. Additionally, if the systems do not operate as required, UI and DI claimants may be impacted. They may not receive their check in a timely manner, opening the department up to law suits/litigation.

4.3.14. Check the appropriate box(es) to identify the proposal's funding strategy:

Augmentation needed

Redirection of existing funds

Other (describe):

4.3.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund		\$825,000	\$1,567,000	\$1,925,000	\$4,675,000	\$8,992,000
Federal Fund		\$1,350,000	\$2,565,000	\$3,150,000	\$7,650,000	\$14,715,000
Special Fund*		\$825,000	\$1,568,000	\$1,925,000	\$4,675,000	\$8,993,000
Total		\$3,000,000	\$5,700,000	\$7,000,000	\$17,000,000	\$32,700,000

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – sole user of the fund

4.4.1. Proposal name and priority ranking:

Document Management System (DMS) Application Platform Upgrade: Priority Rank: 4

4.4.2. Description of the proposed IT project:

The project will upgrade all of the DMS applications written in Visual Basic (VB) 6.0 to the latest version of VB .NET. Visual Basic 6.0 is no longer supported by Microsoft.

4.4.3. Which of your department's business goals and objectives does this project support, and how?

Goal #3 - Improve business processes to enhance results and reduce costs.

This project will find ways to enhance partnerships across programs to maximize the returns on investments and increase efficiency through process improvement.

Goal #4 - Build human resource capacity so that staff has the skills necessary to meet the challenges of the changing environment.

This project will invest (1) in the recruitment of new employees as well as provide opportunities and training for existing staff in order to ensure stability in business processes and (2) in the stability / consistency of the technical architecture.

4.4.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- The project will define common business practices across programs where overlapping costs and solutions can be shared or reused to support service delivery.
- Establish an enterprise process to attract, recruit, develop and retain a diverse and qualified staff / leaders where capacity is improved by continued education and planning.

4.4.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.4.6. Is the proposal consistent with your organization's Enterprise Architecture?

Yes

No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.4.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

Yes

No

4.4.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

09/2009

4.4.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

01/2010

4.4.10. What is the duration of the proposed project?

Three Years

4.4.11. Will the proposed project utilize the existing infrastructure?

Yes

No

If no, please explain.

4.4.12. Is the proposal related to another proposal or to an existing project?

Yes

No

If yes, describe the related proposal or project and how it is related:

4.4.13. Describe the consequences of not doing this proposed project at the planned timeframe:

Current VB application programs might not be able to be changed to respond to new business requirements / legislative law in a timely manner (or at a great cost by hiring outside consultants).

Current VB application programs might not be able to run when the operating system is upgraded.

Current VB application programs will NOT be able to leverage any efficiency or common processes in the .NET environment.

Current VB applications might need to have its own IT architecture and might not be part of the mainstay Enterprise architecture.

EDD Information Technology Branch (ITB) will not be able to hire and retain VB programmers for an end-of-life application system.

4.4.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed
- Redirection of existing funds
- Other (describe):

4.4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund	\$471,000	\$941,000	\$941,000	\$471,000		\$2,824,000
Federal Fund	\$770,000	\$1,541,000	\$1,541,000	\$770,000		\$4,622,000
Special Fund* (DI)	\$471,000	\$941,000	\$941,000	\$471,000		\$2,824,000
Total	\$1,712,000	\$3,423,000	\$3,423,000	\$1,712,000		\$10,270,000

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – sole user of the fund

4.5.1. Proposal name and priority ranking:

Document Management System (DMS) Re-engineering: Priority Rank: 5

4.5.2. Description of the proposed IT project:

Re-engineer and update DMS used by EDD to process in excess of 27 million paper documents, 13 million electronically filed documents, and deposit tax and other payments in excess of \$44 billion in the FY 2007/2008. This is a critical system in support of California employer tax programs and has been expanded to support Unemployment Insurance (UI) and Disability Insurance (DI) program activities. The system, which includes optical scanning, mail handling, IT hardware and software, was engineered in FY 1998-99 with equipment and limited system refreshes in 2005. The current state of technology available for these activities, prospective gains in performance, improved productivity, and expansion of the information entry process to other programs, and the critical nature of the programs that depend on the DMS system, strongly supports a re-engineering project which focuses on current technology to meet the present and future business requirements.

4.5.3. Which of your department's business goals and objectives does this project support, and how?

Goal #1 - Improve access to services and information through the use of information technology and partnerships.

The DMS Re-engineering project will improve access to EDD services to clients and staff by improving the data intake systems and will offer an opportunity to optimize efficient delivery of services by all programs with EDD and potentially to other Labor Workforce Development Agency (LWDA) programs.

Goal #3 - Improve business processes to enhance results and reduce costs.

This project will enhance the business objectives of the Document and Information Processing system, while providing an opportunity for cost savings.

Goal #4 - Build human resource capacity so that staff have the skills necessary to meet the challenges of the changing environment.

Using current technology and systems to support business operations will provide opportunities for staff to be involved in current technological advances.

Goal #5 - Ensure the integrity of EDD's programs, services and information assets.

The implementation of current technology will facilitate the protection and confidentiality of personal information provided by taxpayers and clients.

4.5.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- Improved productivity
- Improved efficiency
- Improved handling of confidential information

4.5.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.5.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.5.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
- No

4.5.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

07/2009

4.5.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

07/2010

4.5.10. What is the duration of the proposed project?

Four Years

4.5.11. Will the proposed project utilize the existing infrastructure?

- Yes
 No

If no, please explain.

This project will identify new technology and supporting infrastructure required for DMS processes.

4.5.12. Is the proposal related to another proposal or to an existing project?

- Yes
 No

If yes, describe the related proposal or project and how it is related:

This project is related to the DMS Application Platform Upgrades project with the ability to expand the document and information processing services to other programs within EDD and LWDA.

4.5.13. Describe the consequences of not doing this proposed project at the planned timeframe:

- Inability to support maintenance and break/fix of equipment that is no longer supported.
- Inability to expand the Document and Information processing services to other programs within EDD and LWDA.
- It is anticipated that implementation of this project will result in the installation of technology that is more efficient and productive. Failure to implement the project will result in ongoing program costs using the current technologies being higher than they would be for the same program output using newer technologies.

4.5.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed
 Redirection of existing funds
 Other (describe):

4.5.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund		\$825,000	\$12,090,000	\$12,091,000	\$12,091,000	\$37,097,000
Federal Fund		\$1,350,000	\$19,785,000	\$19,785,000	\$19,785,000	\$60,705,000
Special Fund* Tax, DI, UI		\$825,000	\$12,091,000	\$12,091,000	\$12,091,000	\$37,098,000
Total		\$3,000,000	\$43,966,000	\$43,967,000	\$43,967,000	\$134,900,000

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – sole user of the fund

4.6.1. Proposal name and priority ranking:

CA Workforce Investment Networking System (CalWINS): Priority Rank: 6

4.6.2. Description of the proposed IT project:

The CalWINS proposed solution is to quickly obtain an effective, low-cost, Web-based solution that will support integrated EDD workforce services to One-Stop Career Center customers. The EDD staff, Local Workforce Investment Area (LWIA) staff, and other One-Stop partner agency staff will have the option to use an intuitive self-service application to administer the Workforce Investment Act (WIA) programs. Partner agencies will access this application either via the Internet, or via the existing statewide Department of Technology Services (DTS) Wide Area Network (WAN). Users will be able to access the proposed solution from EDD's "Inside EDD" (via the WAN only), EDD's Home Page, or the California Home Page Website, depending on access authority. Partner agency staff and training providers will have access to their information at the One-Stop or via the Internet. The proposed solution will also supply enhanced access service reporting, data exchange, and security. The labor exchange application will be integrated on the computer screen with Workforce Investment Act (WIA) and the Trade Adjustment Act (TAA) administrative and participant tracking functions.

The EDD will obtain this functionality as a service from an Application Service Provider (ASP). The solution should already provide these applications via the Internet, across a network, or for internal implementation to other One-Stop entities and states. The solution provider will train and mentor partner agency staff in the use of the system's applications.

4.6.3. Which of your department's business goals and objectives does this project support, and how?

Goal #1 - Improve access to services and information through the use of information technology and partnerships.

CalWINS will improve access for job seekers, employers, and EDD's business partners by providing real-time access to employment and training information and services from any location with internet connectivity. For individuals needing assistance re-entering the workforce CalWINS will enable integrated case management of employment and training services. Through CalWINS employers and workers can receive services funded by multiple programs without duplication of effort.

Goal #5 – Ensure the integrity of EDD's programs, services and information assets.

CalWINS will improve the security of customer information while still allowing for the sharing of appropriate information across programs. The CalWINS will allow local partners to view information with appropriate security limitations at the logon level. It will protect sensitive and confidential information based on industry

standard authentication methodologies, and provide activity logs for accesses, transactions, failures, and other system events.

4.6.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- Decrease labor intensive data entry
- Increase percentage of employer electronically entered job orders
- Enable a single registration
- Allow automated data sharing with EDD administered programs
- Support administration of security at the state level
- Allow Internet Data file transfer/linkage with other employment and training systems
- Produce Department of Labor (DOL) required reports and performance measures

4.6.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.6.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.6.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
- No

4.6.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

09/2008

4.6.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

01/2009

4.6.10. What is the duration of the proposed project?

Two Years

4.6.11. Will the proposed project utilize the existing infrastructure?

- Yes
- No

If no, please explain.

4.6.12. Is the proposal related to another proposal or to an existing project?

- Yes
- No

If yes, describe the related proposal or project and how it is related:

4.6.13. Describe the consequences of not doing this proposed project at the planned timeframe:

This new system is critical because the existing legacy systems are at risk of failure, are unable to meet the needs of the employer and customer, do not address the intent of the WIA to provide efficient seamless services to workers and employers, and cannot fully address forthcoming federal reporting requirements expected in FY 2008-09.

4.6.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed
- Redirection of existing funds
- Other (describe):

4.6.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund						
Federal Fund	\$176,000	\$2,025,000	\$547,000			\$2,748,000
Special Fund*						
Total	\$176,000	\$2,025,000	\$547,000			\$2,748,000

* Note: Identify the fund source and if the department is the sole user of the fund.

4.7.1. Proposal name and priority ranking:

Legacy Database Modernization: Priority Rank: 7

4.7.2. Description of the proposed IT project:

The project will move EDD from the hierarchical Integrated Data Management System (IDMS) database platform to a DB2 relational platform. The project will include the conversion of part or all of its pre-relational mainframe database management systems (the Single Client Database and Tax Accounting System) to a DB2 relational database management system (DBMS).

4.7.3. Which of your department's business goals and objectives does this project support, and how?

Goal #3 - Improve business processes to enhance results and reduce costs.

This will be accomplished by identifying methods and developing a plan to reduce or contain enterprise infrastructure costs. The legacy migration will be a lower cost solution than the current IDMS database platform and transaction processing costs.

Goal #4 - Build human resource capacity so that staff has the skills necessary to meet the challenges of the changing environment.

The conversion will reduce the number of database types that EDD supports. The EDD plans to retrain staff with EDD institutional knowledge to the newer technologies, increase the number of staff able to support existing DBMS, and maximize staff productivity and efficiency.

Goal #5 - Ensure the integrity of EDD's programs, services and information assets

Through this project, EDD will be able to standardize to a relational database platform that will be easier to maintain, change, and optimize to meet the services needs of the business and to respond to legislative mandates. A stable and supportable database platform ensures the integrity of efficient and secure service delivery.

4.7.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- EDD expects to contain costs by moving to a platform that is more readily supportable by the skills of the current workforce, thereby avoiding potentially high consulting costs.
- EDD also expects to move to a platform that provides greater agility and capability for change (avoids IDMS restructures) and a full-time (24/7/365) platform for self-service applications for constituents.

4.7.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.7.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.7.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
- No

4.7.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

09/2009

4.7.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

07/2010

4.7.10. What is the duration of the proposed project?

Three Years

4.7.11. Will the proposed project utilize the existing infrastructure?

- Yes
- No

If no, please explain.

This project would require the build-out of target architecture for the legacy migration.

4.7.12. Is the proposal related to another proposal or to an existing project?

- Yes
 No

If yes, describe the related proposal or project and how it is related:

4.7.13. Describe the consequences of not doing this proposed project at the planned timeframe:

- Inflexible hierarchical IDMS database structures impede the implementation of new business processes, such as new data fields, services and user interfaces. Implementing database modifications is costly, complex, and labor intensive with IDMS.
- Significant data synchronization obstacles of data interface protocols between hierarchical IDMS and relational Structured Query Language (SQL) databases (like SQL Server and DB2 databases).
- Duplication of EDD's limited fiscal and technical resources. The EDD currently maintains two sets of high-end databases, tools, methods, licenses, programmers, database administrators and associated training – IDMS and DB2. IDMS associated applications like VSAM, LRF and ADSO are additional IDMS overhead, which is not present in DB2.
- Difficulty in recruiting and retaining skilled IDMS programmers and database administrators. IDMS is viewed as an old technology, rapidly declining database system, with rapidly declining employment opportunities.
- IDMS vendor support has been declining. With more organizations migrating away from IDMS, future vendor support and license costs are a serious risk factor.

4.7.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed
 Redirection of existing funds
 Other (describe):

4.7.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund		\$1,580,000	\$1,292,000	\$1,292,000		\$4,164,000
Federal Fund (UI)		\$2,585,000	\$2,115,000	\$2,115,000		\$6,815,000
Special Fund* (DI, Tax)		\$1,580,000	\$1,293,000	\$1,293,000		\$4,166,000
Total		\$5,745,000	\$4,700,000	\$4,700,000		\$15,145,000

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – sole user of the fund

4.8.1. Proposal name and priority ranking:

Convert Disability Insurance Branch's (DIB) Legacy to .NET: Priority Rank: 8

4.8.2. Description of the proposed IT project:

The project will be designed to convert the Disability Insurance Legacy Mainframe system to a .Net environment in order to eliminate problems associated with maintaining the 20-year old system and to incorporate Paid Family Leave (PFL) and the Disability Insurance Automation (DIA) systems into one seamless application. This project is considered Phase 4 of the recent commitment to bring the DIB's electronic data systems into a more modern and flexible infrastructure.

4.8.3. Which of your department's business goals and objectives does this project support, and how?

Goal #1 - The business goal that incorporates this project is to improve access to services and information through the use of information technology and partnerships.

By converting our existing legacy system to a .NET environment, the project will allow more efficient user interfaces, data access, database connectivity, cryptography, web application development, and network communications. The .NET solution will add security options to the department's systems. The option to limit permissions or provide specific permissions will enable DIB to be compliant with Health Insurance Portability and Accountability (HIPAA) regulations. The legacy system is rigid and cannot be upgraded or changed easily. Converting to a modern system, such as .NET, that is designed to allow for change is sensible and cost effective. When the Disability Insurance Legacy mainframe system is upgraded to the .NET software, users will be able to transition from applications easier, and databases will be more effectively connected; increasing staff efficiency. The current system is outdated and has become inefficient. When changes or upgrades are needed, significant numbers of expert COBOL programmers are needed and EDD has a very limited number who are able to write the antiquated code-language.

4.8.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- The outcome for this project is to bring DIB's electronic environment onto one platform, thus allowing the Disability Insurance (DI) and PFL programs to be in the same data system.
- Currently the two programs reside on two different systems, making the data collection difficult. The new system will permit uniform data collection and increase accuracy of reports.
- The conversion of the DI data to the .Net environment will provide increased flexibility for all aspects of data capture.

- Under the current environment collecting data for ad hoc reports at the request of Legislators or other states requires an IT Service Request and may take up to a week to obtain. In the new environment data will be available in real-time and from desktop applications, moreover we will have the ability to capture additional data elements.

4.8.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.8.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.8.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
- No

4.8.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

07/2011

4.8.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

07/2012

4.8.10. What is the duration of the proposed project?

Eight Years

4.8.11. Will the proposed project utilize the existing infrastructure?

- Yes
- No

If no, please explain.

4.8.12. Is the proposal related to another proposal or to an existing project?

- Yes

No

If yes, describe the related proposal or project and how it is related:

The DIA project.

4.8.13. Describe the consequences of not doing this proposed project at the planned timeframe:

The DIB will continue to use the antiquated system and will continue to have two separate reporting platforms (DI and PFL). Reporting will continue to require extra time and remain cumbersome and difficult to use. Data will continue to not be streamlined and consistent within the program. Legislators and states seeking data will continue to be required to wait at least a week for their data requests. Fewer data elements will be available.

The DIB will be hampered and unable to respond to legislative or mandated program changes in a timely manner due to the complex out-dated COBOL programming used in the current DI System that must be modified to make any changes.

4.8.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed
- Redirection of existing funds
- Other (describe):

4.8.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund* DI Fund				\$4,000,000	\$75,508,000	\$79,508,000
Total				\$4,000,000	\$75,508,000	\$79,508,000

* Note: Identify the fund source and if the department is the sole user of the fund.

The fund source is: Disability Insurance (DI)

Employment Development Department – sole user of the fund

4.9.1. Proposal name and priority ranking:

Tax Application Platform Upgrade: Priority Rank: 9

4.9.2. Description of the proposed IT project:

The project will be designed to convert two applications, Intranet Field Audit Compliance System (iFACS) and Benefit Overpayment Collection (BOCS) application to a .Net environment in order to standardize and modernize these systems.

iFACS (Intranet Field Audit and Compliance System) is Tax Branch's Field Audit & Compliance Division's (FACD) statewide information system. With this tool, they capture and modify audit and investigation results, track work assignments, and produce standard and custom reports (with input from various files – TAS database, Internal Revenue Service (IRS) data). It is used by approximately 400 FACD staff and is being incorporated into two other divisions within Tax Branch (three out of four divisions within Tax Branch are now using it as part of their Management Information System (MIS) system). In addition to the Tax Branch desktop users, the iFACS customer base includes a large number of notebook users. Most notebook users connect to the network using dedicated network lines and a few connect using dial-up lines through the Department of Technology Services (DTS).

The iFACS application is developed in the Java programming language and uses an Oracle database. The iFACS standard reports and forms are generated using Crystal Reports software. Adobe Reader is used to display and print reports and letters. The iFACS users can create custom reports using the Report Wizard with the results displayed in Microsoft Excel. Aside from the normal security to protect sensitive and confidential data, the customer base is divided into separate groups based on their classification (e.g. auditors, management).

The Benefit Overpayment Collection Section's (BOCS) application is literally a one stop for everything BOCS needs. The application provides a functionality that consolidates sources needed for staff to do their work. The application provides workload management, production tracking, forms production, timesheets, and MIS reporting. The application recycles data to create required legal forms that are then send to courts, recorders, and sheriff offices throughout the state. Data elements are also sent via Outlook to Fiscal Programs Division (FPD) and the court. The value of this system can be seen in their overpayment collection. In FY 2006-07, BOCS collected almost \$112 million.

The BOCS current application is written in Visual Basic 6.0, which as of May 2008, is no longer supported by Microsoft. The server itself is located on the customer's site and not at the data center. Application development, support, maintenance, and backups are done by Collection Division's staff. There is no formal development or test site for this application.

4.9.3. Which of your department's business goals and objectives does this project support, and how?

Goal #3 - Improve business processes to enhance results and reduce costs.

Find ways to enhance partnerships across programs to maximize the returns on investments and increase efficiency through process improvement.

Goal #4 - Build human resource capacity so that staff have the skills necessary to meet the challenges of the changing environment.

Invest (1) in the recruitment of new employees as well as provide opportunities and training for existing staff in order to ensure stability in our business processes and (2) in the stability / consistency of the technical architecture.

4.9.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- The project will define common business practices across programs where overlapping costs and solutions can be shared or reused to support service delivery.
- Establish an enterprise process to attract, recruit, develop and retain diverse and qualified staff / leaders where capacity is improved by continued education and planning.

4.9.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.9.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.9.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
 No

4.9.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

07/2009

4.9.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

07/2010

4.9.10. What is the duration of the proposed project?

Three Years

4.9.11. Will the proposed project utilize the existing infrastructure?

- Yes
 No

If no, please explain.

The iFACS can utilize the existing infrastructure but the BOCS will need a testing and production environment.

4.9.12. Is the proposal related to another proposal or to an existing project?

- Yes
 No

If yes, describe the related proposal or project and how it is related:

4.9.13. Describe the consequences of not doing this proposed project at the planned timeframe:

Current JAVA/VB application programs will not be supported due to a lack of skilled JAVA/VB programmers.

Current JAVA/VB application programs might not be able to be changed to respond to new business requirements / legislative law in a timely manner (or at a great cost by hiring outside consultants).

Current JAVA/VB application programs might not be able to run when operating system is upgraded.

Current JAVA/VB application programs will NOT be able to leverage any efficiency or common processes in the .NET environment.

Current JAVA/VB applications will need to have its own IT architecture and will not be part of the mainstay Enterprise architecture.

The EDD's ITB will not be able to hire and retain JAVA/VB programmers for an end-of- life application system.

4.9.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed**
- Redirection of existing funds**
- Other (describe):**

4.9.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund		\$550,000	\$522,000	\$508,000		\$1,580,000
Federal Fund		\$900,000	\$855,000	\$833,000		\$2,588,000
Special Fund* (Tax)		\$550,000	\$523,000	\$509,000		\$1,582,000
Total		\$2,000,000	\$1,900,000	\$1,850,000		\$5,750,000

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – sole user of the fund

4.10.1. Proposal name and priority ranking:

Joint Agency Board of Equalization (BOE), Employment Development Department (EDD), and Franchise Tax Board (FTB) Data Sharing:
Priority Rank: 10

4.10.2. Description of the proposed IT project:

Implement the recommended solution from the Joint Agency Data Sharing Strategy Project (JADSSP):

Link the existing independent tax systems of the BOE, EDD, and FTB through the use of a hybrid architectural approach that uses data integration technologies that allow each agency to continue storing and using their own data while requiring development of a virtual integration engine with a common entry point via the web for accessing data from their sister agencies.

4.10.3. Which of your department's business goals and objectives does this project support, and how?

Goal #1 - Improve access to services and information through the use of information technology and partnerships.

The Joint Agency Sharing Project establishes a data sharing partnership between EDD, BOE, and FTB which will result in improved information sharing and program administration by making individual program data available to the program administrators of all three departments.

Goal #3 - Improve business processes to enhance results and reduce costs.

This project will make complementary data available to each of the participant departments, which enable improved administration of collection and audit programs, and provide an expanded data mart for program change queries.

4.10.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

- Provide the customer with one web entry point to reach the three main tax agencies.
- The customer can use one instead of three websites to interact and meet their obligations with the three agencies.
- Edits can be built in to reduce data errors and features added to educate customers.

- Data flow to the agencies will be seamless to the customer as it takes place behind the web application.
- Data sharing amongst the three agencies will be streamlined. There will be one common location to access data instead of the numerous exchange agreements that currently exist.
- A joint data warehouse will improve the business processes of the three agencies by streamlining access to data for example, an address update will be available to all three agencies at the same time.
- The short term investment to develop the technology for the joint data warehouse should provide long term cost benefits by eliminating contract maintenance for data sharing agreements, improving collection efforts through access to accurate and timely information, reducing exception processing through up front edits and customer education, and improving management information reporting through the Business Intelligence (BI) analytical tools that can be run against the data in the warehouse.

4.10.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

4.10.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes
- No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.10.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes
- No

4.10.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

07/2011

4.10.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

07/2012

4.10.10. What is the duration of the proposed project?

Three Years

4.10.11. Will the proposed project utilize the existing infrastructure?

- Yes
 No

If no, please explain.

4.10.12. Is the proposal related to another proposal or to an existing project?

- Yes
 No

If yes, describe the related proposal or project and how it is related:

4.10.13. Describe the consequences of not doing this proposed project at the planned timeframe:

The consequences of not doing the joint data warehouse is that the three agencies will continue the status quo of providing data exchange through existing agreements that individually address specific needs based on current processing timeframes.

Data exchange methods currently used are not the most efficient or timely as new technology such as business intelligence has emerged.

4.10.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed**
 Redirection of existing funds
 Other (describe):

4.10.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 and future	Total
General Fund				\$825,000	\$6,120,000	\$6,945,000
Federal Fund				\$1,350,000	\$10,015,000	\$11,365,000
Special Fund*				\$825,000	\$6,120,000	\$6,945,000
Total				\$3,000,000	\$22,255,000	\$25,255,000**

*** Note: Identify the fund source and if the department is the sole user of the fund.**

The fund source is: Disability Insurance (DI), Employment Training Fund (ETF), Personal Income Tax – Contingent Fund (PIT-CF)

Employment Development Department – is not the sole user of the fund

**** Joint Agency Data Sharing project’s estimated total cost is the total cost (\$25,255,000) of the project. EDD costs, which include hardware and development (but are exclusive of procurement and FSR related costs) costs are \$3,154,330 for FY 11/12, \$2,600,000 for FY 12/13, and 2,704,000 for FY 13/14.**

Enterprise Architecture

A.1. Does your organization have documented Enterprise Architecture principles, strategies, or standards to guide decisions on technology projects?

- Yes
- No
- In Progress

As the result of workshops led by Burton Group, EDD has produced 3 documents; Identity Management, Network Architecture, and Service Oriented Architecture.

- Identity Management – Conceptual Architecture
- Network Architecture Workshop – Network Architecture Principles, Technical Positions, and Templates
- Service Oriented Architecture – SOA Roadmaps

The next step is to develop migration strategies.

A.2. Indicate on Table A-1 below, the completion status of the component Reference Models of your formal Enterprise Architecture efforts. If available, please submit a copy of your Enterprise Architecture document.

Table A-1, Enterprise Architecture Completion Status

Component Reference Model	Status			
	Implemented	Implementation in Progress	Planned or Planning in Progress	Not Implemented and Not Planned
Business			x	
Service			x	
Technical			x	
Data			x	

EDD is in the process of identifying the staffing needed in the Enterprise Architecture Services Office to move forward with the development of the component reference models.

A.3. Describe the governance structure your organization uses to review and approve the Enterprise Architecture and any subsequent changes.

The governing body for EDD is the IT Governance Council (ITGC). The ITGC is responsible for executive-level business and IT leadership, program administration, strategic planning, policy approvals, priority of service offerings and supporting IT investments that are building out the EDD portfolio.

The EDD Governance Domain formally establishes the overall principles that serve to guide the ITGC behaviors relevant to how policies and IT decisions are made, administered, and enforced to ensure achievement of the enterprise business objectives.

Enterprise Architecture

These governing principles focus first on the program area lines of business, which then drive IT investment priorities.

The EDD adoption and usage of governance principles positions the EDD for effective leadership, collaborative decision-making, predictable outcomes and organizational maturity. An effective governing body will minimize fragmented decisions and outcomes, improving quality or priorities, service offerings and IT investments.

A.4. Does your organization have an Enterprise Architect? (if yes, provide their name, telephone number, and e-mail address below)

Yes

No

EDD's Chief Enterprise Architect left for another department. EDD is currently preparing a hiring package to recruit and hire.

Name: _____

Classification: _____

Telephone Number: _____ **E-Mail:** _____

Information Security

B.1. How is your Information Security Officer (ISO) involved in proposed project development efforts?

The ISO reports to and represents the EDD Directorate. The ISO is a voting member of the Information Technology Governance Committee (ITGC) that reviews and approves information technology and security initiatives.

The ISO provides information security advice, assistance, policy and specific security requirements for technology procurements and projects, and for IT infrastructure deployments.

The ISO reviews and approves technology security areas, including but not limited to: perimeter security, firewall security (internally, and for EDD's Department of Technology Services (DTS) data center services), enterprise network security zones, external entity access, electronic access and confidential data disclosure service agreements.

B.2. What are your department's core business principles, policies and standards related to information integrity, confidentiality, and availability and the protection of information assets?

Legal Authority:

All information EDD collects under the federal Department of Labor programs and the California Unemployment Insurance Code is classified as confidential. The Department has additional security safeguards and obligations that fall under the federal agencies including: the Bureau of Labor Statistics, the Department of Health Services (DHS) Office of Child Enforcement, the Internal Revenue Service, and the Social Security Administration.

EDD Information Security Policy (ISP) Statement:

Each individual authorized access to EDD information, systems, applications, equipment, facilities, and other information assets must follow EDD information security policies and good business practices to protect those assets from unauthorized access, use, modification, deletion, destruction or disclosure.

Each EDD employee must help prevent, detect, report, and minimize compromise to any information asset.

EDD employees must help preserve business continuity, protect the health and safety of customers and staff during a disruption and following a disruption carries out their duties to assist with the rapid prioritized restoration of services.

The EDD ISP is based on the ISO -27001 standards, (formerly the British Standard), and is supplemented with a number of subject specific standards and processes, including but not limited to: Account Management, Access Control, EDD Banner, Confidential Media Destruct, Confidentiality Statements, Continuity Planning and Emergency Response, Desktop/Laptop Screen Saver Security, Employee Internet/Electronic Mail Use, Employee Security Awareness, Mobile Computing Encryption, Remote Access, and Virtual Private Network (VPN) Access Policies and

Information Security

External Access and Information Disclosure Contracting Confidentiality and Security Safeguards and Controls.

B.3. If data within your department is shared with external entities, does your department implement data exchange agreements with these entities?

- Yes**
 No

Supplement Comments: All EDD confidential program access, data, disclosure and sharing require legal authorities of both the Requester and for EDD. The federal Social Security Act and the enabling California Unemployment Insurance Code lay out the majority of these authorities. In addition, strong information disclosure contract agreements are a federal requirement, covering required agency relationship, confidentiality provisions, reimbursements and security safeguards and controls, as are required under the federal Department of Labor Regulations, CFR 20 Section - 603.

If no, please explain.

Not applicable

B.4. How does your department ensure that software developers and programmers follow standards and best practices for Web, application, and system development?

The Information Technology Branch's Application Services Division (ASD) has begun incorporating application-level security as dictated by industry "best practices" and standards into the products it produces.

The ASD staff are attending application development security training (Application Security for Developers), along with peer-to-peer application security walk-through(s) and application architecture reviews to ensure application-level security is present and fully implemented.

Additionally, ASD is presently developing processes/procedures to ensure all applications undergo rigorous application architecture reviews, as well as a full architectural review by all EDD's Domain Architects (Infrastructure, Security, and Network & Database).

The ISO attempts to ensure that adequate and effective security requirements are identified and included in IT project and procurement documents up front. A level of review and oversight is conducted for and during IT projects at present, (but somewhat limited, due to limited staffing and tools). The ISO and the Application Development Division area are looking into the use of Web Applications Security Vulnerability Assessment software and tools as a means to supplement this application security oversight process.

Information Security

B.5. Does your organization have an Information Security Officer? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
- No

Name: Dale Morgan

Classification: Data Processing Manager III

Telephone Number: (916) 654-6231 (Office)
(916) 654-7732 (Direct line) **E-Mail:** Dale.Morgan@edd.ca.gov

C.1. Does your organization have a workforce development plan for IT staff?

- Yes
- No

If yes, briefly describe it.

The EDD Information Technology Branch Succession Plan was completed in January 2006. It addressed recruitment, staff development, and knowledge transfer strategies over a two-year period.

C.2. Check the appropriate box(es) to identify which workforce development tools, if any, your organization is using for IT classifications:

- Training
- Upward Mobility
- Mentoring
- Career Assessments
- Knowledge transfer program
- Performance Evaluations
- Other (please list)

C.3. Does your organization have a workforce plan for IT staff (i.e., for Rank and File)?

- Yes
- No

If yes, briefly describe it.

See C1. above

C.4. Does your organization have a succession plan for IT staff (i.e., for Management)?

- Yes
- No

If yes, briefly describe it.

The EDD Information Technology Branch Succession Plan was completed in January 2006. It addressed recruitment, project management, leadership development, and knowledge transfer strategies for managers and supervisors over a two-year period.

C.5. IT Staffing

Provide the following information in table C-1 on the following page:

- The name of each IT classification currently in the organization.
- The number of staff in each IT classification in the organization.
- The number of staff in each IT classification eligible to retire in the next five years.
- The percentage of each IT classification eligible to retire in the next five years.

Table C-1 — IT Staffing

IT Rank and File Staff Classification	Number of IT Rank and File Staff in Classification	Number of IT Rank and File Staff in Classification Eligible to Retire in Next 5 Years	% of Rank & file eligible to retire in the next 5 years
ASST INFO SYS ANALYST	33	15	45%
ASSOC. INFO. SYS. ANALYST	80	64	80%
ASSOC. PROGR. ANALYST	48	30	67%
ASSOC. SYS. SFTWR. SPEC.	4	1	25%
INFO. SYS. TECH	7	3	43%
PROGRAMMER II	6	2	33%
SR INFO SYS ANALYST	43	30	70%
SR PROG ANALYST	33	27	82%
STAFF INFO SYS ANALYST	95	79	83%
STAFF PROGRAMMER ANALYST	44	33	75%
SYS SFTWR SPEC I / TECH	59	49	83%
SYS SFTWR SPEC II/ TECH	27	21	78%
SYS SFTWR SPEC III/ TECH	11	10	91%
TOTAL RANK & FILE	490	364	74%
IT Management Classification	Number of IT Management Staff in Classification	Number of IT Management in Classification Eligible to Retire in Next 5 Years	% of IT Management staff eligible to retire in the next 5 years
STAFF INFO SYS ANALYST / SUP	1	1	100%
ASSOC INFO SYS ANALYST. SUP	1	1	100%
DATA PROCESSING MANAGER I	12	8	67%
DATA PROCESSING MANAGER II	23	18	78%
DATA PROCESSING MANAGER III	15	15	100%
SYS SFTWR SPEC III/ SUP	2	2	100%
CEA	5	4	80%
TOTAL MGR/SUP	59	49	83%

Project Management, Portfolio Management and IT Governance

D.1. Does your organization have a process for improving the alignment of business and technology?

- Yes
 No

If yes, briefly describe it.

The EDD has an IT Governance Council (ITGC) that approves all proposed department projects. The ITGC is comprised of the Directorate (Director's Office, Legal Office, and Legislative and Intergovernmental Affairs Office), program deputy directors, and the Information Security Officer. The Project Management Office (PMO) works with program areas to assess the initial risk and value of all new proposals. Project managers report monthly to the ITGC; based on this information, the PMO develops aggregate reports on the health of the projects within the portfolio.

D.2. What is the status of implementing a formal portfolio management methodology for technology projects within your organization?

- Implemented (Please describe)

The IT Governance Council (ITGC) is comprised of the Directorate (Director's Office, Legal Office, and Legislative and Intergovernmental Affairs Office), program Deputy Directors, and the Information Security Officer. EDD program areas may request ITGC approval for a new project by presenting an IT Concept project proposal to the Council at their monthly meetings. Upon ITGC approval, the project becomes part of the Project Portfolio and is tracked until project end (project completion or cancellation). The Project Portfolio includes approved reportable IT projects (listed in Table 1) and non-reportable projects.

PMO staff maintains the inventory of active projects and concepts and develop summary reports for the ITGC, based on monthly status reports submitted by the Project Managers. These ITGC summary reports reflect the health and status of the entire portfolio and include project risk-value assessment, traffic light reporting on projects changes to cost, scope and schedule for projects with approved/not-yet approved baselines. Reports are uploaded to a dedicated ITGC SharePoint site and available to the ITGC prior to the monthly meeting, held 3rd Wednesday of the month.

- Implementation in progress (Please describe)

- Planned or planning in progress
 Not implemented and not planned

Project Management, Portfolio Management and IT Governance

D.3. List any automated tools being used for portfolio management. Enter "None" if no automated tools are being used.

SharePoint is used to capture all EDD's workload and Microsoft Enterprise Project Server is utilized to capture all department's project schedules. MS Office Suite is used for reports.

D.4. What is the status of implementing a standard project management methodology for technology projects in your organization?

Implemented (Please describe)

The EDD's IT Project Management Methodology (ITPMM) is based on Project Management Body of Knowledge and the Office of Chief Information Officer's Project Management Oversight Framework.

Implementation in progress (Please describe)

Planned or planning in progress

Not implemented and not planned

D.5. Does the organization require its project managers to be certified, either through a professional organization (e.g., PMI, ITIL) and/or through completion of specified project management coursework:

Yes

PMI

ITIL

Agency-specified project management coursework (identify below)

No

D.6. Select from the list other areas of training your organization requires of its project managers:

Fundamental Project Management

Systems Development Life Cycle

Scheduling tool (identify below)

-

-

-

Project Performance Management (e.g., Earned Value Management)

Business Process Analysis

Requirements Traceability

Procurement/Contracts Management

Other (identify below)

-

-

-

None

Project Management, Portfolio Management and IT Governance**D.7. Describe project-level governance practices, including change management, issue resolution, and problem escalation.**

Projects develop, document, and manage configuration management (including change management), risk, and issue resolution processes. Generally, weekly or bi-weekly meetings are held to review items. Issue owners are responsible for timely resolution. However, if a project is unable to resolve an issue at the project-level, it is elevated to its Steering Committee for resolution. IT project managers collaborate through regular meetings to leverage the work of others and to identify any enterprise level issues and risks.

The EDD projects have an Executive Sponsor and executive level Steering Committee comprised of Division Chief and/or Branch Deputy Directors who provide guidance to projects. Projects hold monthly Steering Committee meetings and report monthly to the department's IT Governance Council, comprised of the Directorate (Director's Office, Legal Office and Legislative and Intergovernmental Affairs Office), program Deputy Directors, and the Information Security Officer.

D.8. Does the project management methodology include processes for documenting lessons-learned and applying these to future projects?

Yes (Please describe)

The ITPMM (project closure section) describes the lessons learned process, provides tools, and encourages new projects to consider them during their planning process. The EDD has an IT Policy that requires project lessons learned to be centralized within the PMO repository, accessible through SharePoint.

No

Planning for Organizational Success

EDD Strategic Plan 2007-2011



February 2007



Planning for
Organizational Success
*EDD Strategic Plan
2007-2011*

February 2007



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I am pleased to present the Employment Development Department's Strategic Business Plan for the period 2007 through 2011.

To be effective, organizations must be clear about their objectives, aware of their resources and responsive to a dynamic environment. To this end, we view Strategic Planning as an essential component of our business.

Strategic Planning prepares the organization to respond to changes in the environment in which it operates. It is an essential activity to ensure that everyone in our organization is working toward the same goals, and to measure and modify the organization's direction in response to this changing environment. By identifying organizational, rather than programmatic, goals and objectives, and more importantly, prioritizing these goals and objectives, we can make the difficult decisions about what is most important to achieving organizational success.

In the sections that follow we describe the critical issues and challenges we face as we anticipate the environment projected in this Strategic Plan. While California's current economic picture is healthy, changes in the size and diversity of the state's population, advances in technology and the evolving needs and preferences of our customers present us with new challenges related to the efficient provision of services.

Our ability to meet these challenges is not without constraints. Our Department's workforce is aging and the majority of our most experience staff who hold institutional knowledge is transitioning to well-earned retirement. The technology that supports our programs and enables our services to be delivered efficiently and effectively is outdated, redundant, and difficult to maintain.

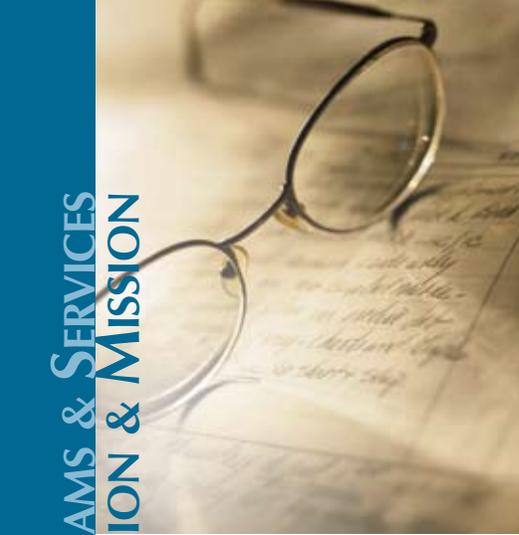
In addition, the federal funding streams that support many of our programs continue to decrease. Conflicting funding priorities of military and homeland security needs versus domestic spending will continue to place competing demands on existing federal dollars.

Our ability to deliver consistent and quality services to our customers will be dependent, in part, on finding new and innovative ways to meet our challenges and maximize our existing resources.

We present this Strategic Business plan to help our employees, customers and interested parties understand our priorities, opportunities and challenges. This Plan provides a roadmap for the actions we will take over the next several years to meet these challenges and take advantage of these opportunities.

A handwritten signature in black ink that reads "Patrick W. Henning". The signature is written in a cursive, flowing style.

Patrick W. Henning
Director



Employment Development Department (EDD) Programs and Services

The California Employment Development Department (EDD) offers a wide variety of services to millions of Californians under the Job Service, Unemployment Insurance, Disability Insurance, Workforce Investment, and Labor Market Information programs. As California's largest tax collection agency, EDD also handles the audit and collection of payroll taxes and maintains employment records for more than 17 million California workers. One of the largest departments in state government, EDD has over 8,000 employees providing services at more than 220 locations throughout the state. See Appendix A for an overview of EDD's Program Service Outcomes.

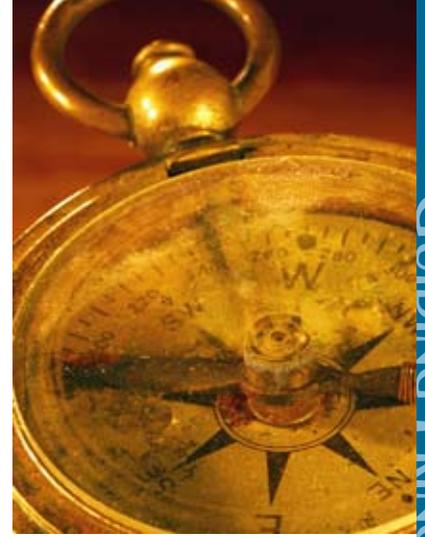
Employment Development Department Vision

The Employment Development Department will be universally recognized for its outstanding customer service and will be considered a model for public agency quality and fairness.

Employment Development Department Mission

The Employment Development Department promotes California's economic growth by providing services to keep employers, employees, and job seekers competitive. Following federal and state laws with fairness and equity, and ensuring fiscal integrity, we:

- Operate the State's employment service – connecting employers with job seekers;
- Act as an economic stabilizer through the administration of the Unemployment Insurance program;
- Provide prompt and accurate services that enable taxpayers to easily report data and meet their tax responsibilities;
- Minimize the financial impact of non-occupational disabilities through the administration of the Disability Insurance program;
- Provide partial wage replacement when workers must care for a seriously ill family member or bond with a new minor child;
- Encourage self-sufficiency in the current and future workforce;
- Serve as the central source for information on California's labor market ;
- Plan, deploy, and manage technology to improve our business processes and access to our services.



In implementing the initiatives to meet our Strategic Planning goals, we will be guided by the following principles that are based on our organization's values:

- We are open and honest in communication with our customers and ourselves;

- We are customer focused, seeking input from our customers and being responsive to their needs;

- We are collaborative and believe in partnerships, both internally and externally, to maximize resources and the delivery of services to our customers;

- We treat everyone with respect, dignity and equity;

- We are stewards of the public trust and administer the programs entrusted to us in an equitable, impartial and conscientious manner;

- We are fiscally responsible and accountable for the decisions and expenditures we make;

- We value our staff and invest in their growth and development.



Summary

Economists and futurists agree that over the next several years, California faces significant changes that will affect the programs and services administered by the Employment Development Department.

A growing, more ethnically diverse population will increase overall demand for services and at the same time demand more flexible ways to access those services. Employment opportunities statewide will increase due to growth in the total number of jobs in specific industries, but an expanding labor force is not expected to keep pace with the number of workers needed to meet this demand or the educational and skill levels necessary to meet the occupational requirements of these expanding industries. Although immigrants, a large portion of the population in California, will not all be similarly affected, they and their offspring may experience a disproportionate effect.

The increasing discrepancy between the skill level of available workers in the state and the demands of the expanding industry sectors may encourage employers to shift investments or relocate jobs to other states or to foreign countries. At the same time, an aging population in the state (and the nation) will tighten labor markets while placing competing demands on federal funding available to support EDD's programs. Worldwide, the aging population in industrialized countries may influence the amount of foreign capital available for business investment in United States and California markets. This could have a significant effect on the economy of California and increase demand on the income support and workforce development programs administered by the Department.

Although unemployment rates are not projected to significantly increase over the next several years, this forecast is subject to downside risk given ongoing increases in energy prices, declines in the real estate market, rising health care and corporate pension costs, and ongoing budget and trade deficits. California's Unemployment Fund reserves may not be sufficient to sustain benefits during an economic downturn and current service delivery systems will need to be improved to accommodate a potentially increasing claimant base.

While the Department must contend with changing demographic and economic variables, EDD's programs and services will also be challenged by an unpredictable and potentially volatile fiscal future. In light of ongoing defense related expenditures, competition for federal domestic discretionary funding will continue to be keen while at the state level much of California's income (and income taxes) are concentrated at the upper end of the economic spectrum, making the revenue of the state extremely sensitive to the income of these individuals.

See Appendix B for detailed data on:

- Population and demographic changes,
- Economic and employment factors,
- Education and job training challenges, and,
- Economic and financial outlooks.

The following section contains EDD's five Strategic Goals and twelve Strategies designed to help the organization meet those Goals. We recognize the importance of all the strategies if EDD is to fulfill its mission and have prioritized the list to arrive at a manageable number of strategies to work on over the next 24 -48 months. The priority strategies are those that we will undertake in the short-term. The remaining strategies will be completed during the subsequent planning period or as time allows. Attachment C provides a description of the projects that support our short-term strategies.



GOAL I: Improve access to services and information through the use of information technology and partnerships.

Given the projected increase in California's overall population and EDD's client base as well as the competing demands on existing federal and state funding streams supporting EDD's programs and services, we must find ways to optimize the efficient delivery of services.

Strategies:

Short-term

- Cultivate and establish a minimum of three new strategic federal, state and or local partnerships to improve service delivery by 2008.

Long-term

- Provide seamless access to EDD automated services through any public system by 2012.
- Design and build five automated systems that maximize staff productivity and customer self-help in order to provide improved client services by 2010.

GOAL II: Develop an integrated approach across EDD to improve customer satisfaction with EDD services.

With an increasingly diverse customer population we must reach out to our customers and stakeholders to assess their level of satisfaction with our current services. We must use this information to identify the need for alternative service options and incorporate customer feedback into our processes for making business decisions.

Strategies:

Short-term

- Clearly identify our customers, determine customer overlaps across programs, and define customer needs by December 2007.

Long-term

- Review progress and institute an on-going evaluation process that would provide for continuous customer input by 2008.

GOAL III: Improve business processes to enhance results and reduce costs.

Competing priorities for funding at the state and federal levels as well as increasing overhead costs for staff demand that we identify ways to reduce our operating costs, allowing us to support and expand the delivery of needed services. We must find ways to enhance partnerships across programs to maximize the returns on our investments for the organization and increase our efficiency through process improvement.

Strategies:

Short-term

- Define common business practices across programs, identify overlapping costs and develop solutions that can be shared or reused to support service delivery options by January 2008.

Long-term

- Identify methods and develop a plan to reduce or contain enterprise infrastructure costs by December 2007 (infrastructure=physical plant, equipment, overhead, support entities, and IT infrastructure not including applications).

GOAL IV: Build human resource capacity so that staff has the skills necessary to meet the challenges of the changing environment.

Our organization is not immune to the impending departure from the workforce of the “Baby Boomer” generation. As the most knowledgeable of our staff transition to well-earned retirement, we must invest in the recruitment of a new generation of employees as well as provide opportunities and training for existing staff in order to ensure stability in our business processes and maintain critical institutional knowledge.

Strategies:

Short-term

- Establish a process and related activities to help attract, recruit, develop and retain diverse, qualified staff and leaders by July 2007.

Long-term

- Continuously improve staff capacity by encouraging continued education and instituting an evaluation and future planning process.

GOAL V: Ensure the integrity of EDD’s programs, services and information assets.

An environment in which an increasing demand for services coincides with increasing competition for the funds that support the services cannot be allowed to erode program integrity. We must continue to improve and implement processes that enforce the equitable and accurate collection of taxes, the accurate payment of benefits and the collection of reliable information to ensure payment accuracy. Additionally, our customers must be able to rely on our pledge that the personal information we require them to submit as a condition of doing business with us, will remain protected and confidential.

Strategies:

Short-term

- Assess the existing protection of assets from loss, unauthorized access, misuse and disclosure and implement a plan based on risk mitigation by January 2008.

Long-term

- Improve EDD’s detection of internal and external fraud across all programs by 2011.
- Evaluate the accuracy and reliability of EDD data/information assets by 2011.



EDD's Strategic Plan will be updated and re-issued in four year cycles. The governance of the plan is the responsibility of the EDD Deputy Directors. EDD Director's Office staff will assist with the plan preparation and coordination, and the EDD Program Branches have primary responsibility for updating the projects and initiatives in the Plan.

For the current planning cycle, implementation of the 2007 - 2011 Strategic Plan will be coordinated by the EDD Deputy Director's at their regular monthly meetings. The following action items will be included in the agenda:

- Assignment of project teams for Department priority projects;

- Direction to project leads to present implementation plans at Deputy Meetings;

- Discussion and decisions regarding resource requirements for the five priority areas;

- Agreement on timeframes for status reports at regular intervals; Development and dissemination of status tracking report; and,

- Development of a Strategic Plan update process in the fall of every other year.



Appendices



EDD PROGRAM SERVICE OUTCOMES

The EDD budget for State Fiscal year 2005-2006 was \$10.7 billion of which \$21 million was State General Funds

During SFY 2005-2006 EDD:

- posted over 2 million job openings and received over 7 million accesses in CalJOBS, an automated labor exchange system;

- collected over \$31 billion in personal income taxes and \$9 billion in employment taxes;

- processed over 700,000 Disability Insurance claims and paid more than \$3.54 billion in benefits to California workers with non-industrial injuries;

- processed over 2 million initial Unemployment Insurance claims and paid more than \$4.3 billion in benefits to California workers unemployed through no fault of their own;

- processed over 160,000 Paid Family Leave claims and paid almost \$350 million in benefits to California workers who needed time off to care for an ill family member or bond with a new minor child.



MAJOR CHALLENGES AND OPPORTUNITIES

I. Population and Demographic Changes

Population Growth

While California's relative growth in overall population means an increase in the available workforce, baseline increases in California's population will also present workload and service challenges as our customers increase in number.

- While total population gains in the next two decades are projected to be large in Coastal California, Inland California will experience the fastest growth rates. (1)
- California's total population will increase over 37 percent from 33 million plus to over 46 million between 2000 and 2030 while the percentage of the total population over 65 years of age will increase by over 130 percent (4.7 million) during this same period. (2)

Population Diversity

Increased diversity in California's population will require changes in the skills and competencies of EDD's workforce. Customer service needs will dictate additional language fluency in EDD staff, as well as a greater understanding and appreciation of different cultures and customer preferences.

- California has one of the largest immigrant populations of all the states. Immigrants make up 27% of the state's population as compared to a national rate of 12%. (3)
- California will continue to see an increase in immigration. By 2025, 30% of the residents in the state will be foreign born. Latino and Asian populations will grow, while the white population will likely decline. (4)
- The California Department of Finance projections suggest that Latinos will become the single largest racial/ethnic group in the state by 2021 and will constitute a majority of the state's population by 2040. (5)

Aging Population

As the number of individuals age 65 and older increases, the demographic structure of the economy will shift. The transition of "Baby Boomers" out of the economy may cause tighter labor markets unless offset by higher productivity or increased labor force participation by older individuals and immigrants.

- Californians age 65 and older are projected to be the fastest growing age group between 2000 and 2020. By 2030 the number of seniors will double and one in every six Californians will be over 65. (5)
- Despite the feasibility of work at older ages, Americans have been retiring at younger and younger ages. A scarcity of experienced labor could induce greater labor force participation. One natural response to population aging will almost surely be for a more fit elderly population to increase their participation in the labor force. (6)

II. Economic and Employment Factors

Unemployment Rates and Funding

Unemployment rates are a critical indicator of the health of the economy and have a direct impact on EDD programs and services. While California's fiscal reserves to fund Unemployment Insurance benefits are currently projected to be sufficient to meet short term demand, they have fallen significantly below what is considered sufficient to avoid insolvency should the economy falter.

- Nationally, unemployment rates will rise slightly from the current 5.1% to 5.2% through 2016. (7)
- In California, the unemployment rate is projected to be in line with national averages through 2008, but dip slightly below the national rate, averaging 4.7% from 2012 through 2016. (8)
- Although recent economic improvement means that a short-term crisis has been averted, the current UI financing system cannot be sustained over multiple economic cycles of expansion and contraction. The federal government believes that a prudent reserve for the UI fund would be in excess of \$8 billion, an amount that is unachievable under the current financing system. (9)
- The UI Fund balance was \$1.3 billion at the end of 2005. The UI Fund is projected to have a balance of \$2.4 billion at the end of 2006, and \$3.0 billion at the end of 2007. While a UI Fund balance of \$2.4 billion appears to be substantial, it may not be sufficient if an economic downturn occurs. Depending on the severity of an economic downturn, the combination of increased UI benefit payments and reduced UI contributions could result in the UI Fund becoming insolvent again, even with a year-end UI Fund balance of \$2.4 billion. (10)

Job Growth and Industry Sectors

Expansion and contraction in the total number of jobs, the specific industries and occupations projected to increase, as well as the skill needs of these occupations are important to the strategic planning of EDD's workforce and income support programs.

- The twelve fastest growing occupations in the country are technology based and/or tied to the health care industry. (11)
- Over the period 2004-2014, total employment in California is expected to grow at an average annual rate of 1.6%. This growth will add over 2.6 million new jobs and bring California employment to approximately 19 million by 2014. (123)
- In California, more than 70 percent of the job growth from 2004 to 2014 will be concentrated in five major industry sectors: professional and business services, education and health services, government, retail trade, and leisure and hospitality. (13)
- The long term outlook for the number of job openings by education and training reflects employers' need for a wide range of trained workers. About 22% of all job openings forecasted through 2014 will require a bachelor's degree or higher. (13)

Globalization

A declining number of skilled workers in specialized industries, most requiring higher education, opens up opportunities for foreign workers coming to this country and/or the outsourcing of jobs to other countries. Continued shifts in U.S. employer investments or job relocation to foreign countries could have a significant effect on the economy of the United States and California and increase demand in the income support and workforce development programs administered by the Department.

- Jobs requiring unskilled labor are likely to continue moving to developing countries and this transfer may increase foreign direct investment by U.S. firms. (6)
- It is estimated that U. S. firms outsource about 300,000 jobs a year, but foreign companies employ directly at least 6 million workers in the United States according to the Department of Commerce. (14)
- The faster aging rates in Europe and Japan may also directly affect investment and hence the growth of labor productivity here in the United States. If savings rates in these countries decline, global capital flows to the United States that have contributed significantly in recent years to financing domestic investment are likely to decline. (6)

III. Education and Job Training Challenges

California must be responsive to the demands of employers for a skilled workforce. Increasing demand for highly educated workers will coincide with the transition from the labor market of the experienced and educated “Baby Boomer” generation and the continued influx of a significant immigrant population. While California’s relative growth in overall population means an increase in the available workforce, if California fails to provide a workforce with the skill and educational levels employers require, the state’s industry and occupational sectors projected to grow in the coming years may be affected.

- Unlike jobs a half-century ago, today most positions that pay family-supporting wages and offer opportunities for advancement demand strong academic and technical skills, technological proficiency, and some education beyond high school. (15)
- The academic skills demanded by many entry-level jobs today are at a higher level than the academic skills required for postsecondary education. The reading requirements for today’s entry level job are higher than they are for state tests or college according to the International Center for Leadership in Education’s evaluation of on-the-job reading material. (16)
- The ability of immigrants (in California) to acquire experience and the ability of their children to acquire a good education, including college education, will play a large role in determining the economic and fiscal impact of immigration in the state and nation. (17)
- The share of working-age adults in California without some credential of high school completion has been about 20% since the late 1970s. (18)
- Of adults in California who have not completed high school, 72 percent are immigrants. In addition many low-educated U.S. born adults are second generation immigrants. Among U.S. born adults in California who have not finished high school, 27 percent have at least one foreign-born parent. (19)
- Hispanics from Mexico and Central America is the demographic group with the lowest level of education. Among those in California, 62 percent of men and 63 percent of women have not completed high school. (19)
- Among foreign-born Californians, over 55 percent had literacy skills in the lowest level of proficiency, compared to 13-16 percent of U.S. born residents. The evidence shows immigrants make up the bulk of the population in need of remedial or basic adult education in California. Adult education is likely the only way to improve basic education for this population because 81 percent of adult immigrants who have not completed high school arrived at age 18 or older. (19)
- Although educational attainment is expected to improve for all major racial and ethnic groups in California, and the share of the population with a bachelor’s degree will increase from 28% to 33%, this will not meet the projected employment demand for a college educated workforce. (20)

- U.S.-born Hispanics, particularly those of Mexican descent, have consistently lower high school and college completion rates than do African Americans, Asians or whites. Educational attainment is perhaps the most important indicator of lifetime economic opportunities. Higher education is associated with lower unemployment, higher wages, higher family income and better health. Parental education is associated with better health, enriched development and greater educational opportunities for children. Across these measures, Hispanics fare far worse than any other group. (4)
- With Latinos on the verge of becoming the largest single population group in the state, these patterns portray a major challenge to the sustainability of California's economic competitiveness and the promise of social mobility. (18)

IV. Economic and Financial Outlook

Levels of Federal Funding

Continuous decreases in funding and rescissions present ongoing program planning and budgeting challenges to California in the provision of job training and employment services. Conflicting funding priorities of military and homeland security needs versus domestic spending will continue to place competing demands on existing federal dollars.

- The aging of the population in the United States will have significant effect on our fiscal situation. In particular it makes our Social Security and Medicare program unsustainable in the long run. (6)
- Over the longer term, the aging of the U.S. population combined with rapidly rising health care costs will put significant strains on the federal budget. Under the assumptions in the Congressional Budget Office baseline, Social Security, Medicare and Medicaid together will account for 56% of all federal spending by 2016. (7)
- Assuming that various tax increases occur as scheduled and that discretionary spending grows at the rate of inflation, the federal budget deficit will decrease, essentially reaching balance in 2012. However, beyond 2007, the pace of economic growth will slow, coinciding with a deceleration in the expansion of the labor force linked to the retirement of the baby-boom generation. Spending for Social Security, Medicare and Medicaid will exert pressures in the budget that economic growth alone is unlikely to alleviate. A substantial reduction in the growth of spending and perhaps a sizable increase in taxes as a share of the economy will be necessary for fiscal stability to be at all likely in the coming decades. (7)
- Since the initial appropriation for the Workforce Investment Act (WIA) in 2000-01, the amount appropriated by the Federal Budget for WIA has been decreasing for each of the last six program years; the decrease in California is \$212.6 million or over 30 percent.

- Since 2000-01, the amount appropriated by the Federal Budget for the Wagner-Peyser program has decreased over the past six program years; the decrease in California over this period of time has been \$8.1 million or 9.2 percent.

State Funding

California faces a continued structural budget gap between mandated expenditures and projected revenues. Additionally, much of the state's income taxes are paid by a minority of the state's residents. Any significant increase in state spending without a commensurate increase in taxes or any significant decrease in the taxes paid by the upper income earners in the state could significantly affect the level of state funding available for EDD's programs and services.

- California's 2004 median household income, the income where half of all households earned more and half earned less, was \$49,894. The median income for all California personal income taxpayers was \$32,242 in 2003, the most recent year for which data are available. The 2003 median income of married taxpayers filing joint returns was \$58,653. (24)
- The Franchise Tax Board received 380,075 full year resident, 2003 taxable year returns with reported Adjusted Gross Income (AGI) of \$200,000 or more. This volume represented 2.8% of all returns filed and 27.4% of the \$762.5 billion in total California AGI. (21)
- Total tax liability to California was \$30.4 billion for taxable year 2003. The top one (1) percent of returns accounted for 38.8% of all tax liability. The top five (5) percent paid 61% of all tax. (21)
- Based on current projections of revenues and expenditures under the 2006-07 Budget Act policies, the state would continue to face operating shortfalls in the range of \$4.5 billion to \$5 billion in 2007-08 and 2008-09. (22)
- California has benefited greatly from over \$11 billion in unanticipated increases in state revenues. Yet, due to its allocation of these funds, the 2006-07 Governor's Budget would still leave the state with large structural budget shortfalls and an enormous amount of outstanding financial obligations. (23)

End Notes

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- 5 Public Policy Institute of California, California's Demographic Future, Hans P. Johnson, Presentation at the Congressional California Delegation Retreat, Rancho Mirage, CA, December 5, 2003.
- 6 Aging Global Population, testimony of Alan Greenspan before the Special Committee on Aging, U.S. Senate, February 27, 2003
- 7 The Budget & Economic Outlook, Fiscal Years 2007 to 2016, testimony of Donald B. Moran Acting Director of the Congressional Budget Office before the U.S. Senate Committee on the Budget, February 2, 2006.
- 8 California Employment Development Department, Labor Market Information Division, Projected Annual California Unemployment Rates through 2016, June 2006 semi-Annual Forecast
- 9 California Legislative Analyst, Analysis of the 2005-06 Budget Bill, February 2005.
- 10 California Employment Development Department, UI Fund Forecast, October 2006.
- 11 US DOL Bureau of Labor Statistics, Employment Outlook 2000-2010.
- 12 California Employment Development Department, Labor Market Information Division, Projections of Employment by Industry and Occupation 2004-2014.
- 13 California Employment Development Department, Labor Market Information Division, A Labor Day Briefing for California, September 2006.
- 14 Challenges of the 21st Century Workforce, testimony of Diana Furchtgott-Roth, Senior Fellow Hudson Institute, before the Senate Committee on Health Education, Labor and Pensions, May 26, 2005.
- 15 Testimony of Asst. Secretary for Vocational and Adult Education, Carol D'Amico before Congress, March, 2003.
- 16 International Center for Leadership in Education, Jobs and the Skills Gap, William R. Daggett, Ed.D,
- 17 California Regional Economies Project, The Impact of Immigration on the California Economy, September, 2005.
- 18 California Community Colleges System Strategic Plan; Education and the Economy: Shaping California's Future Today, January 2006.
- 19 Public Policy Institute of California, The Growing Importance of Education in California, Deborah Reed, Testimony before the California State Assembly Select Committee on Adult Education, July 29, 2003.
- 20 Public Policy Institute of California, California's Future Economy, June 2005.
- 21 California Franchise Tax Board, Annual Report for 2004, January 2006.
- 22 California Legislative Analyst; Major Features of the 2006 California Budget; July 7, 2006.
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- 24 California Budget Project, Who Pays Taxes in California; April, 2006.

EDD SHORT-TERM PRIORITY PROJECTS

Goal I

Improve access to services and information through the use of information technology and partnerships.

Project Name: *Unemployment Insurance Modernization (UIMOD)*

This project will implement Voice over Internet Protocol (VoIP) and Service Oriented Architecture (SOA) which allows customers to have greater and faster access to EDD services and information. The UIMOD project replaces the existing telephonic platform allowing for new automation for claimants requesting information about their claims and allows more efficient routing of calls. This project also allows for claimant electronic certification that will greatly reduce the manual processing and inefficiencies associated with paper continued claims.

Project Name: *Web-Based Claim Filing (WBCF)*

The WBCF Project will implement a new, more user-friendly claim filing system for Unemployment Insurance (UI) staff. This new system will improve issue detection and decrease fraud, improve the quality of information collected, decrease improper payments, and reduce training time for newly hired staff. The WBCF system is an important component of California's requirements to meet federal mandates for benefit payment timeliness, as well as fraud and overpayment detection.

The WBCF Project uses technology to improve the UI claim filing process, incorporating anti-fraud items, reducing the time spent on more routines activities, improving consistency, and collecting additional information needed for UI payment, UI adjudication, reporting and auditing processes.

Project Name: *Automated Collection Enhancement System (ACES)*

The ACES project will improve customer access by providing self-help services and automate collection processes that will maximize productivity and increase revenue. The ACES Project provides the Labor and Workforce Development Agency (LWDA) with an opportunity to leverage automated collection processes and new technology services across departments for the collection of penalties and back-wages that are due to the Department of Industrial Relations.

Project Name: *California Tax Service Center Website (CTSC)*

CTSC is an all-inclusive Web site that provides tax information for users unfamiliar with federal, state and local taxes, tax agencies and tax forms. The project redesign effort and the Web site itself are supported by the Fed/State partnership that includes the Employment Development Department, Franchise Tax Board, Board of Equalization, and Internal Revenue Service. The project will provide individuals and businesses an on-line, seamless presentation of and access to California's tax-related information and services at the state and federal level.

Project Name: *Disability Insurance Automation Project, Phase 3 (DIAP3)*

DIAP3 will provide an avenue through the Internet for clients, medical providers, and employers to interact with Disability Insurance (DI) Branch staff in the process of providing benefits to eligible workers. The new system will almost entirely eliminate the need for keying new claims into the system and significantly reduce costs associated with filing, storage, and retention of paper documents. New business logic will be developed to make automated determinations on “in pattern” claims to reduce the volume of claims requiring review by DI Branch staff.

Goal II: Develop an integrated approach across EDD to improve customer satisfaction with EDD services.

Project Name: *EDD Customer Identification*

The purpose of this project is to identify EDD’s external customers, services, and products from a Department perspective. The Program Review Branch (PRB) will employ data identification, collection and analysis methodologies that will provide information regarding customer demographics, service needs, and satisfaction with service delivery methods currently in use by all programs in EDD. PRB will coordinate efforts among and between program branches to accomplish this task.

Goal III: Improve business processes to enhance results and reduce costs.

Project Name: *Common Program Business Practices*

This project will identify common business processes for reuse between Branches. Outcomes will include a governance model for continuing this project, and development of how the business process models will be maintained. This project will focus on taking a broad view of EDD services, defining what business services have a broader impact beyond one program delivery area.

An initial work group will identify those services which are pervasive among the projects specified in Goal 1, Strategy 1 and develop a strategy and recommendation for how implementation approaches may change in order to maximize reuse between programs.

Goal IV: Build human resource capacity so that staff has the skills necessary to meet the challenges of the changing environment.

Project Name: *EDD Succession Plan*

In 2005, EDD began an effort to prepare a comprehensive Succession Plan that would ensure adequate managerial and key staff resources would be available to fill vacancies now and in the near future. California State Government anticipates growing numbers of service retirements as Baby Boomers leave key positions in departments. EDD recognized the need for a plan to address these potential vacancies, and the human resources systems that support the maintenance of a vital, trained, competitive workforce.

Goal V: Ensure the integrity of EDD's programs, services and information assets.

Project Name: *Business and Enterprise-wide Information Technology (IT) Risk Assessment*

The project is a broad-based enterprise risk assessment that will focus on both business and IT information assets. EDD must stay in compliance with the State Administrative Manual mandate to perform annual certification of risk to our information assets. This effort will assist EDD identify information security weaknesses, vulnerabilities and security risks.



PRIORITY PROJECT TIMELINE

The following chart presents the Department's priority projects in a timeline. Dates are approximate and subject to adjustment.

Projects	2006/2007				2007/2008				2008/2009				2009/2010			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
UI Modernization																
Web-Based Claim Filing																
ACES																
DI Automation Phase 3																
CA Tax Service Center Website																
EDD Customer Identification																
Common Business Practices																
EDD Succession Planning																
Information Assets Assessment																



TECHNOLOGY OVERVIEW

The Information Technology Branch (ITB) is supporting the Department's strategic goals ensuring information technology resources are refined to support improved operations and support the five major automation projects that will redefine client service delivery.

To prepare for the major automation efforts that will redefine department services within the next five years ITB is focused on the following major efforts:

- Standardize the infrastructure supporting EDD programs resulting in common infrastructure (PCs and servers) that support both field and central office operations;
- Leverage statewide infrastructure initiatives and services to minimize the total cost and time required for project implementations;
- Ensure major new IT requirements are reflected in department and statewide initiatives for call center platform migration and its requisite infrastructure (Voice over Internet Protocol—VoIP) to support EDD across UI, DI and Tax Branch program initiatives;
- Develop and implement a comprehensive information architecture managing data collection, reporting and analytics supporting the major automation projects, fraud detection and program analysis (e.g. impact of legislation, tax collection efforts, fraud detection, etc.);
- Establish through key interdepartmental work groups the business and technology justifications and implementation plans for significant gaps in department and/or statewide initiatives required for significant automation enhancements (i.e. identity management, data and telephony convergence, security, and call center management);
- Refine current governance processes for supporting the definition and subsequent development of business services for reuse within the department beyond a single program (ultimately developing reusable IT components with a Service Oriented Architecture for the most critical and redundant department processes); and
- Focus on workforce and succession planning to provide the internal IT resources required for these significant automation efforts.

While the above efforts are underway, they represent significant changes to our current business practices. We will focus on: defining reusable services between programs; evaluate the impact based on the pervasiveness of these services within the department; and then assess the impact on the five major automation projects planned for implementation over the next several years.

Once the initial assessment is complete, processes, technology and implementations will be leveraged across programs to provide common interfaces to customers (i.e. claim filing and employer registration).



State of California
Arnold Schwarzenegger, Governor

Labor and Workforce Development Agency
Victoria L. Bradshaw, Secretary

Employment Development Department
Patrick W. Henning, Director



EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

Employment Training Panel
Information Technology Capital Plan



Information Technology Capital Plan, Plan Year 2009-10 through 2013-14 Executive Approval Transmittal

Department Name

APPROVAL SIGNATURES

I am submitting the attached Information Technology Capital Plan as required by the State Administrative Manual Section 4904.

I certify that the IT Capital Plan was prepared in accordance with State Information Management Manual section 57 and that the proposed IT projects are consistent with our business strategies and information technology strategy.

I have reviewed and agree with the information in the attached Information Technology Capital Plan.

Chief Information Officer		Date Signed
Original signature on file		8/11/2008
Printed name:	Linda J. Hamilton	
Information Security Officer		Date Signed
Original signature on file		8/11/2008
Printed name:	Brian McMahon	
Internal Budget Officer		Date Signed
Original signature on file		8/11/2008
Printed name:	Kulbir Mayall	
Department Director		Date Signed
Original signature on file		8/11/2008
Printed name:	Brian McMahon	

DEPARTMENT IT CAPITAL PLAN

Department Name and Org Code:

7100

Plan Year:

2009-10 through 2013-14

1. Summarize your organization's business goals and objectives below:

ETP's current business goals are to restore full funding; Increase pool of qualified applicants; Enhance partnerships; Support and target training for the creation of new jobs, clean technology, priority industries and small businesses, hard-to-server populations consisting of high unemployment areas and ex offenders.

Following is a brief description of the goal objectives:

- Ensure the ETP Fund serves its purpose
- Enhance statewide marketing activities
- Develop partnerships
- Target projects that support creation of new jobs, green energy, and career technology education
- Allocate a percentage of available program funds to priority industries, target small businesses and healthcare training
- Require employers to contribute towards the cost of ETP-funded training
- Require a percentage of trainees in projects to be CalWORKS recipients; pilot training to ex-offenders and support projects to foster new jobs and economic growth in the Central Valley region and Northern California

2. What are your organization's plans to upgrade or replace your IT infrastructure for the following? When responding, please indicate the timeframes of your intended upgrade or replacement efforts.

2.1. Hardware

ETP follows a practice to annually plan and budget for refreshing IT equipment that aligns with ETP's business and overall enterprise architecture. Over the prior two fiscal years (2006/2007 & 2007-2008), ETP replaced all PCs that had passed their life expectancy. In addition, ETP's effort is to streamline and upgrade IT equipment after a minimum of five years in production. Network printers that are over eight years in production are planned to be replaced and the number of printers reduced in fiscal year 2008-2009. Aging monitors are also planned for replacement in fiscal year 2008/2009.

2.2. Software

Standard and approved non-standard software upgrades and maintenance renewals are budgeted and planned for annually. Any new software procurements require justification with approval.

2.3. Network

The same annual planning and budgeting practice for hardware and software applies to Network hardware, tools and software. Aging network switches were refreshed in fiscal year 2007/2008. ETP intends to refresh the network's aging 5600 Chassis in fiscal year 2008/2009.

In fiscal years 2008/2009 and 2009/2010, ETP intends to reduce the number of production servers. The method used to reduce servers will be by consolidation and virtualization.

3. Existing Approved Reportable IT Projects

Provide the following information regarding your existing approved reportable IT projects on Table 1 on the following page:

- Existing IT Project;
- Approved Project Cost;
- Project Number; and
- Implementation Date

4. Proposed IT Projects

After each proposed IT project has been documented by answering questions 4.1 through 4.15 of the attached IT Project Proposal Form, provide the following information on Table 2 on the following page:

- The name of each proposed IT project;
- The priority ranking;
- The FSR submission date; and
- The estimated cost

Table 1-Existing Approved Reportable IT Projects Summary by Department

Existing IT Project	Approved Project Cost*	Project Number	Implementation Date
There are no Approved Reportable IT Projects for ETP			

***Note:** If a Special Project Report (SPR) was submitted for review in July 2008 that includes project costs that differ from the last approved project document, enter both the last approved project cost and the revised project cost from the SPR under review.

Table 2-Proposed IT Project Summary

Proposed IT Project	Priority Ranking	FSR Submission Date	Estimated Total Cost

PROPOSED IT PROJECTS

Complete this IT Project Proposal Form (questions 4.1 through 4.15 below) for each proposed IT project that meets the definition of a reportable project as defined in the State Administrative Manual Section 4819.37:

4.1. Proposal name and priority ranking:

Name: Priority Rank:

4.2. Description of the proposed IT project:

4.3. Which of your department's business goals and objectives does this project support, and how?

4.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

4.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses
- Enhancing information and IT security
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)
- Improving the reliability and performance of IT infrastructure
- Enhancing human capital management
- Supporting state and agency priorities and business direction

- 4.6. Is the proposal consistent with your organization's Enterprise Architecture?
 Yes
 No

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

- 4.7. Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?
 Yes
 No

- 4.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

- 4.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

- 4.10. What is the duration of the proposed project?

- 4.11. Will the proposed project utilize the existing infrastructure?
 Yes
 No

If no, please explain.

- 4.12. Is the proposal related to another proposal or to an existing project?
 Yes
 No

If yes, describe the related proposal or project and how it is related:

- 4.13. Describe the consequences of not doing this proposed project at the planned timeframe:

- 4.14. Check the appropriate box(es) to identify the proposal's funding strategy:
 Augmentation needed
 Redirection of existing funds
 Other (describe):

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund						
Federal Fund						
Special Fund*						
Total						

*** Note: Identify the fund source and if the department is the sole user of the fund.**

A.1. Does your organization have documented Enterprise Architecture principles, strategies, or standards to guide decisions on technology projects?

- Yes**
 No

Our department is the beginning stage of developing architecture principles, structure and project technology standards.

A.2. Indicate on Table A-1 below, the completion status of the component Reference Models of your formal Enterprise Architecture efforts. If available, please submit a copy of your Enterprise Architecture document.

Table A-1, Enterprise Architecture Completion Status

Component Reference Model	Status			
	Implemented	Implementation in Progress	Planned or Planning in Progress	Not Implemented and Not Planned
Business			X	
Service			X	
Technical			X	
Data			X	

A.3. Describe the governance structure your organization uses to review and approve the Enterprise Architecture and any subsequent changes.

See A.1

A.4. Does your organization have an Enterprise Architect? (if yes, provide their name, telephone number, and e-mail address below)

- Yes**
 No

Name: Ismael Gutierrez

Classification: System Software Specialist II (Technical)

Telephone Number: (916) 327-5440_____ **E-Mail:** igutierrez@etp.ca.gov

B.1. How is your Information Security Officer involved in proposed project development efforts?

The ISO is a key element in all development efforts. In addition, the ISO reviews, advises and assists with policy, network security, hardware deployment, IT procurement and system access.

B.2. What are your department's core business principles, policies and standards related to information integrity, confidentiality, and availability and the protection of information assets?

ETP's standard policy is to administer confidential information collected in strict compliance with the information Practices Act of 1977 (Civil Code Section 1798.17) and the Federal Privacy Act (Public Law 93-579).

All ETP employees must follow security policies and good business practices to protect ETP assets.

B.3. If data within your department is shared with external entities, does your department implement data exchange agreements with these entities?

- Yes**
 No

If no, please explain.

Not applicable

B.4. How does your department ensure that software developers and programmers follow standards and best practices for Web, application, and system development?

With our new Enterprise Architect, ETP is starting to implement development standards and industry best practices into all application development.

B.5. Does your organization have an Information Security Officer? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
 No

	<u>Primary</u>	<u>Backup</u>
Name:	Brian McMahon	Linda Hamilton
Classification:	Executive Director	Data Processing Manager II
Telephone Number:	(916) 327-5246	(916) 327-5537
E-Mail:	bmcmahon@etp.ca.gov	lhilton@etp.ca.gov

C.1. Does your organization have a workforce development plan for IT staff?

- Yes
 No

If yes, briefly describe it.

C.2. Check the appropriate box(es) to identify which workforce development tools, if any, your organization is using for IT classifications:

- Training
 Upward Mobility
 Mentoring
 Career Assessments
 Knowledge transfer program
 Performance Evaluations
 Other (please list)

C.3. Does your organization have a workforce plan for IT staff (i.e., for Rank and File)?

- Yes
 No

If yes, briefly describe it.

C.4. Does your organization have a succession plan for IT staff (i.e., for Management)?

- Yes
 No

If yes, briefly describe it.

C.5. IT Staffing

Provide the following information in table C-1 on the following page:

- The name of each IT classification currently in the organization.
- The number of staff in each IT classification in the organization.
- The number of staff in each IT classification eligible to retire in the next five years.
- The percentage of each IT classification eligible to retire in the next five years.

Table C-1 — IT Staffing

IT Rank and File Staff Classification	Number of IT Rank and File Staff in Classification	Number of IT Rank and File Staff in Classification Eligible to Retire in Next 5 Years	% of Rank & file eligible to retire in the next 5 years
Programmer II	1	0	0%
Assoc. Info. Sys. Analyst (Technical)	2	1	50%
Staff Programmer Analyst (Technical)	1	0	0%
System Software Specialist II (Technical)	1	0	0%

IT Management Staff Classification	Number of IT Management Staff in Classification	Number of IT Management Staff in Classification Eligible to Retire in Next 5 Years	% of Rank & file eligible to retire in the next 5 years
Data Processing Manager II	1	1	100%

Project Management, Portfolio Management and IT Governance

D.1. Does your organization have a process for improving the alignment of business and technology?

- Yes
- No

If yes, briefly describe it.

Although there is no formal process, ETP is working towards a standard method and process.

D.2. What is the status of implementing a formal portfolio management methodology for technology projects within your organization?

Implemented (Please describe)

Implementation in progress (Please describe)

Planned or planning in progress

Not implemented and not planned

D.3. List any automated tools being used for portfolio management. Enter "None" if no automated tools are being used.

Outlook – Public Folders is used to capture and report ETP workload.

D.4. What is the status of implementing a standard project management methodology for technology projects in your organization?

Implemented (Please describe)

Implementation in progress (Please describe)

Planned or planning in progress

Not implemented and not planned

Project Management, Portfolio Management and IT Governance

D.5. Does the organization require its project managers to be certified, either through a professional organization (e.g., PMI, ITIL) and/or through completion of specified project management coursework:

- Yes
- PMI
 - ITIL
 - Agency-specified project management coursework (identify below)

No

D.6. Select from the list other areas of training your organization requires of its project managers:

- Fundamental Project Management
- Systems Development Life Cycle
- Scheduling tool (identify below)

-
-
-

- Project Performance Management (e.g., Earned Value Management)
- Business Process Analysis
- Requirements Traceability
- Procurement/Contracts Management
- Other (identify below)

-
-
-

None

D.7. Describe project-level governance practices, including change management, issue resolution, and problem escalation.

General practice for:

Change Management - changes are documented, categorized by level of complexity and scope, determine how the change will impact the project, reviewed and approved by project team.

Issue and problem resolution follow the same practice as change management.

When required, issues and problems are escalated and presented in the Executive bi-weekly meeting.

D.8. Does the project management methodology include processes for documenting lessons-learned and applying these to future projects?

Yes (Please describe)

No

California Unemployment Insurance Appeals Board

Information Technology Capital Plan

Department IT Capital Plan



**Information Technology Capital
Plan, Plan Year 2009-10 through
2013-14 Executive Approval
Transmittal**

Department Name

California Unemployment Insurance Appeals Board

APPROVAL SIGNATURES

I am submitting the attached Information Technology Capital Plan as required by the State Administrative Manual Section 4904.

I certify that the IT Capital Plan was prepared in accordance with State Information Management Manual section 57 and that the proposed IT projects are consistent with our business strategies and information technology strategy.

I have reviewed and agree with the information in the attached Information Technology Capital Plan.

Chief Information Officer		Date Signed
Printed name: Rafael Placencia		
Branch Chief Administrative Services		Date Signed
Printed name: Pam Boston		
Department Director		Date Signed
Printed name: Jehan Flagg		

DEPARTMENT IT CAPITAL PLAN

Department Name and Org Code:

California Unemployment Insurance
Appeals Board 7100-22

Plan Year:

2009-10 through 2013-14

1. Summarize your organization's business goals and objectives below:

This section summarizes the goals and objectives detailed in the CUIAB Strategic Plan beginning Fiscal Year 2008-2013.

Mission Statement

The California Unemployment Insurance Appeals Board serves the people of California as an independent adjudicative agency. We conduct impartial hearings and issue prompt decisions to resolve disputed unemployment, disability and tax determinations of the Employment Development Department.

Goals and Objectives

- **Goal 1** – Continually improve programs and performance. The focus of this goal is the continuous improvement of the quality and timeliness of our work product and services to the public, while maintaining the highest degree of public confidence in the integrity, efficiency and fairness of CUIAB.
 - **Objective 1-A** – **Special Assistance Program**

Develop and implement a program that will increase access to those who are disabled and/or require additional language services.
 - **Objective 1-B** – **Due Process**

Every party to a proceeding before the Appeals Board and its Administrative Law Judges shall be afforded a fair hearing or review by an impartial decision maker in full accordance with the principles of due process of law. CUIAB will increase its annual average Quality Review score by an average of two percent.
 - **Objective 1-C** – **Timeliness**

Field Operations: Meet timeliness standards developed for each major program under CUIAB jurisdiction.

Appellate Operations: Meet timeliness standards developed for each major program under CUIAB jurisdiction. Meet time limits set by California Statute.

- **Goal 2** – Continually develop and improve the interpersonal skills and expertise of employees. The focus of this goal is to promote harmony among employees, improve the skills and abilities of CUIAB staff and provide a better service to the public.
 - **Objective 2-A – Supervisor Training**

Provide supervisors with 30 hours annually of staff management training each year.
 - **Objective 2-B -- Employee Performance Measurements.**

Evaluate and enhance employee performance using personnel related tools to maximize production and efficiencies
 - **Objective 2-C – Diversity Training**

Provide all employees with education and training on cultural diversity.
 - **Objective 2-D – Upward Mobility Program**

Continue to develop and maintain an Upward Mobility Program.
 - **Objective 2-E – Training Plan**

Continue to develop and maintain an agency-wide training plan for non-judicial staff.

- **Goal 3** - Provide a safe, healthy and secure workplace environment for employees and the public. The focus of this goal is to reduce workplace injuries, prevent illness, ensure employee and public safety and plan for business continuity during unforeseen circumstances.
 - **Objective 3-A – Security Assessment**

Establish and implement internal and external security needs assessment for all offices, outstations, and parking facilities.
 - **Objective 3-B – Health, Safety and Security Awareness Program**

Develop and implement a Health, Safety and Security Awareness Program.
 - **Objective 3-C – Emergency Plan and Evacuation Procedures**

Develop, approve and implement Emergency Plan and Evacuation Procedures in all offices to ensure the safety of staff and business continuity.
 - **Objective 3-D – Facility Safety Plan**

Develop and implement a Facility Safety Plan which includes minimum requirements for health and safety standards for facilities, equipment and work areas.

- **Goal 4** - Provide a secure environment to protect our information and technological assets. The focus of this goal is to ensure the proper use of confidential information, prevent loss of information assets, and to ensure effective backup and recovery technology.
 - **Objective 4-A – Business Continuity Plan**

Develop a plan to ensure Business Continuity in the event of a disaster or operational failure.
 - **Objective 4-B – Information Technology (IT) Security Training**

Develop and implement an Information Security Training and Awareness Plan to ensure information security is part of the normal day-to-day responsibility.
 - **Objective 4-C – Technology Compatibility**

Establish risk analysis and risk management practices in the development and deployment of new technology to ensure security, efficiency and compatibility standards are met.

Create and implement policy which requires training to be provided with newly implemented technology.
 - **Objective 4-D – Systems Access Standards**

Develop and implement internal and remote network access security standards and practices.
 - **Objective 4-E – Vulnerability Assessment**

Obtain independent computer and network systems vulnerability assessments and implement recommendations.
 - **Objective 4-F – Agency-Wide IT Policy**

Develop, implement, and evaluate agency-wide information technology policies.
- **Goal 5** - Plan for and manage change in the future. The focus of this goal is to promote an organizational culture that facilitates teamwork and innovation at CUIAB during times of change.
 - **Objective 5-A – Information Technology Steering Committee**

Establish a Cross-Branch Information Technology Advisory Group to assess changing technology and its effect on operations. This group will report its activities semiannually to Senior Staff.

- **Objective 5-B – Protect Delegate Authorities**

Preserve our ability to direct our mission in a streamlined and prompt manner by maintaining our delegated authority independent from control agencies.

- **Objective 5-C – Operational Evaluation**

Annually evaluate and report on the status of goals and objectives in the Strategic Plan.

2. What are your organization's plans to upgrade or replace your IT infrastructure for the following? When responding, please indicate the timeframes of your intended upgrade or replacement efforts.

2.1. Hardware: In general, CUIAB replaces the IT infrastructure hardware on a five year schedule. Hardware such as PCs, printers and servers are on a five year replacement schedule.

Workstations - We currently do have workstation equipment which is out of maintenance. The majority of these workstations will be replaced in 08/09.

Servers - We are currently in the implementation phase of a Server Virtualization project for our server farm. We will reduce our server hardware footprint from approximately 70 servers to 20 this FY.

2.2. Software: Enterprise software is upgraded based upon business needs and manageability. CUIAB is currently entering year two of a three year MS Enterprise Software Assurance contract for licensing standard workstation software as well as server software. Specialty software is upgraded as required by the business groups. In-house software is upgraded and maintained by in-house programmers on an ongoing basis as driven by business needs.

2.3. Network: Network upgrade plans for 08/09 will include replacement of various EOL networking equipment, the planning and design phase for Wide Area Acceleration services, and WAN topology re-design for the consolidation of remote file servers.

LAN - The majority of access switches were upgraded in 2006.

WAN - The majority of the WAN routers were upgraded in November 2005. Core routers and Internet router will be upgraded in 08/09.

3. Existing Approved Reportable IT Projects

Provide the following information regarding your existing approved reportable IT projects on Table 1 on the following page:

- **Existing IT Project;**
- **Approved Project Cost;**
- **Project Number; and**
- **Implementation Date**

4. Proposed IT Projects

After each proposed IT project has been documented by answering questions 4.1 through 4.15 of the attached IT Project Proposal Form, provide the following information on Table 2 on the following page:

- **The name of each proposed IT project;**
- **The priority ranking;**
- **The FSR submission date; and**
- **The estimated cost**

Table 1-Existing Approved Reportable IT Projects Summary by Department

Existing IT Project	Approved Project Cost*	Project Number	Implementation Date

***Note:** If a Special Project Report (SPR) was submitted for review in July 2008 that includes project costs that differ from the last approved project document, enter both the last approved project cost and the revised project cost from the SPR under review.

Table 2-Proposed IT Project Summary

Proposed IT Project	Priority Ranking	FSR Submission Date	Estimated Total Cost
UI/DI Appeals Tracking System	1	Jan. 2010	\$3.5 million

PROPOSED IT PROJECTS

Complete this IT Project Proposal Form (questions 4.1 through 4.15 below) for each proposed IT project that meets the definition of a reportable project as defined in the State Administrative Manual Section 4819.37:

4.1. Proposal name and priority ranking:

Unemployment Insurance and Disability Insurance Appeals Processing System (UI/DI APS).

This project is ranked as priority 1.

4.2. Description of the proposed IT project:

The UI/DI APS business objective is to streamline the process for conducting UI/DI appeals. Currently, the UI/DI process is primarily a manual process with hardcopy paperwork routed through the various phases of the appeals process. Requirements of the UI/DI APS will include: electronic filing and routing of case documents using paperless concepts and technologies; automating the process for scheduling of hearings; integrating the process for electronic recording of the hearings (either in person or by telephone); user-generated ad hoc reporting; and automated electronic notification of the ALJ's decision to all case participants.

4.3. Which of your department's business goals and objectives does this project support, and how?

UI/DI APS –

Goal 1 - Continually improve programs and performance. The focus of this goal is the continuous improvement of the quality and timeliness of our work product and services to the public, while maintaining the highest degree of public confidence in the integrity, efficiency and fairness of CUIAB.

- **Objective 1-C – Timeliness**

Field Operations: Meet timeliness standards developed for each major program under CUIAB jurisdiction.

Appellate Operations: Meet timeliness standards developed for each major program under CUIAB jurisdiction. Meet time limits set by California Statute.

The goal of the UI/DI APS is to significantly improve the timeliness of UI/DI appeals so that CUIAB can meet or exceed the Department of Labor (DOL) standards for case aging and time lapse. By streamlining, integrating, and automating the UI/DI processes, CUIAB expects to improve timeliness by at least 50%.

4.4. What are the expected business outcomes or benefits of the proposal as they relate to your organization's business goals and objectives?

UI/DI APS

The processing of UI/DI appeals is the primary business of the CUIAB. The expected outcome and benefit of this proposal, as related to CUIAB's Strategic Plan Goal 1 – objective 1-C, is to process appeals at least 50% faster, which will allow for the generation of more available federal funds.

4.5. The following are from the State's IT strategic plan. Check the appropriate box(es) to identify the goals this proposal supports:

- Supporting and enhancing services for Californians and businesses**
- Enhancing information and IT security**
- Reducing state operational costs (leveraging, consolidation, new technology, etc.)**
- Improving the reliability and performance of IT infrastructure**
- Enhancing human capital management**
- Supporting state and agency priorities and business direction**

4.6. Is the proposal consistent with your organization's Enterprise Architecture?

- Yes**
- No**

If no, please explain why the deviation from the organization's Enterprise Architecture is necessary.

4.7 Will the proposed system collect, store, transmit, or exchange confidential or sensitive information?

- Yes**
- No**

4.8. If this proposal is conceptually approved, what is the estimated date (mm/yyyy) the FSR will be submitted?

The target date for the FSR submittal for the UI/DI APS is January 2010.

4.9. What is the estimated project start date (mm/yyyy) if the FSR is approved?

The estimated project start date for the UI/DI APS is April 1, 2010.

4.10. What is the duration of the proposed project?

The project duration for the UI/DI APS is estimated at 12 months.

4.11. Will the proposed project utilize the existing infrastructure?

- Yes
 No

If no, please explain.

4.12. Is the proposal related to another proposal or to an existing project?

- Yes
 No

If yes, describe the related proposal or project and how it is related:

4.13. Describe the consequences of not doing this proposed project at the planned timeframe:

UI/DI APS -

The CUIAB continually experiences a backlog of claimant appeals cases which have failed to meet DOL acceptable standards for case aging and time lapse. The consequences for not implementing this proposed project as planned will result in no improvement to the existing process, continued backlog of cases, and a loss of additional federal funding. The CUIAB budget is directly tied to the yearly number of processed appeals.

4.14. Check the appropriate box(es) to identify the proposal's funding strategy:

- Augmentation needed
 Redirection of existing funds
 Other (describe):

4.15. What are the estimated cost and funding source(s) by fiscal year through implementation (information should be provided in the following format):

UI/DI APS

Fund Source	2009-10	2010-11	2011-12	2012-13	2013-14 and future	Total
General Fund	0	0	0	0	0	0
Federal Fund	\$300,000	\$2,500,000	\$400,000	\$150,000	\$150,000	\$3,500,000
Special Fund*	0	0	0	0	0	0
Total	\$300,000	\$2,500,000	\$400,000	\$150,000	\$150,000	\$3,500,000

* Note: Identify the fund source and if the department is the sole user of the fund.

No special funding will be used. CUIAB will be the sole user of the Federal Funds.

Enterprise Architecture

A.1. Does your organization have documented Enterprise Architecture principles, strategies, or standards to guide decisions on technology projects?

- Yes
- No

A.2. Indicate on Table A-1 below, the completion status of the component Reference Models of your formal Enterprise Architecture efforts. If available, please submit a copy of your Enterprise Architecture document.

Table A-1, Enterprise Architecture Completion Status

Component Reference Model	Status			
	Implemented	Implementation in Progress	Planned or Planning in Progress	Not Implemented and Not Planned
Business			X	
Service			X	
Technical			X	
Data			X	

A.3. Describe the governance structure your organization uses to review and approve the Enterprise Architecture and any subsequent changes.

CUIAB has established a Cross-Branch Information Technology Advisory Group (IT Steering Committee) to assess changing technology and its effect on operations. CUIAB's IT governance framework is built upon the policies, practices, and strategies approved by the IT Steering Committee. The primary purpose of the committee is to recommend policy direction on an agency-wide basis for all technology, including voice and data communications, and to provide leadership in the planning, development, and use of new technology. The IT Steering Committee also performs the following roles:

- Makes recommendations to the Agency CIO
- Reviews and approves IT Enterprise Architecture and Strategic Planning efforts
- Ensures that project plans are sound
- Reviews and prioritizes project proposals
- Reviews project success measures and outcomes
- Provides feedback to Project Advocates on priority status

A.4. Does your organization have an Enterprise Architect? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
- No

Enterprise Architecture

Name: Michael Packard

Classification: Staff Information Systems Analyst

Telephone Number: 916-263-3473 E-Mail: mikep@cuiab.ca.gov

Information Security

B.1. How is your Information Security Officer involved in proposed project development efforts?

The ISO reviews and provides input/approval on all major (applicable) development efforts: system design, risk management, quality control, configuration management plan, test plan, implementation plan, etc.

B.2. What are your department's core business principles, policies and standards related to information integrity, confidentiality, and availability and the protection of information assets?

CUIAB protects the privacy and security of all its stakeholders and information through an integrated and highly visible security program. CUIAB is committed to strengthening the security of its information assets by: promoting the awareness and understanding of the CUIAB Security Program; enhancing communications within all levels of the agency; and implementing mechanisms to enhance secure information sharing and interoperability among all staff offices within CUIAB and with external stakeholders.

Included (but not limited to) in the Security Program are policies for:

Information Security. Adopts and maintains risk management practices and establishes procedures for the purpose of identifying and avoiding or minimizing threats to the security and integrity of CUIAB information assets. Includes guidance for ownership, proper use and unacceptable use of information assets.

E-Mail/Internet Use. Includes guidance for acceptable and unacceptable use of CUIAB e-mail and internet resources.

Portable Device & Portable Electronic Storage Media. Provides guidance for the safeguarding of all portable devices and portable media used and maintained by the agency, and the information stored on such devices and/or media.

Privacy. Includes guidance for the collection, use, and distribution of personal information.

Handling of Confidential Documents. Guidance for the safeguarding of confidential documents. Includes guidance for the storage and processing of confidential documents, and incident reporting.

Information Security

B.3. If data within your department is shared with external entities, does your department implement data exchange agreements with these entities?

- Yes
 No

If no, please explain.

Not applicable

B.4. How does your department ensure that software developers and programmers follow standards and best practices for Web, application, and system development?

CUIAB has developed and documented IT Infrastructure Standards, including standards and best practices for Web, application, and system development. The standards and best practices are based upon industry standards derived from such sources as the IEEE Standards Organization, Microsoft, etc. CUIAB policy requires that developers and programmers review and follow these standards and best practices before and during development activities.

The CUIAB IT Infrastructure standards are reviewed and updated semi-annually to address changes in technology and business requirements. More frequent updates may occur as necessary.

B.5. Does your organization have an Information Security Officer? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
 No

Name: Ryan Howland

Classification: Staff Information Systems Analyst

Telephone Number: (916) 263-3462 E-Mail: RyanH@cuiab.ca.gov

Workforce Development, Workforce Planning and Succession Planning**C.1. Does your organization have a workforce development plan for IT staff?**

- Yes
 No

If yes, briefly describe it.

CUIAB IT staff currently uses the agency workforce development plan which consists of a training plan and upward mobility plan. The IT section is currently developing a more comprehensive IT Human Capital Plan which will include a more IT-specific workforce development plan, workforce plan for IT staff, and succession plan for IT staff.

C.2. Check the appropriate box(es) to identify which workforce development tools, if any, your organization is using for IT classifications:

- Training
 Upward Mobility
 Mentoring
 Career Assessments
 Knowledge transfer program
 Performance Evaluations
 Other (please list)

C.3. Does your organization have a workforce plan for IT staff (i.e., for Rank and File)?

- Yes
 No

If yes, briefly describe it.

C.4. Does your organization have a succession plan for IT staff (i.e., for Management)?

- Yes
 No

If yes, briefly describe it.

Workforce Development, Workforce Planning and Succession Planning

C.5. IT Staffing

Provide the following information in table C-1 on the following page:

- **The name of each IT classification currently in the organization.**
- **The number of staff in each IT classification in the organization.**
- **The number of staff in each IT classification eligible to retire in the next five years.**
- **The percentage of each IT classification eligible to retire in the next five years.**

Table C-1 — IT Staffing

IT Rank and File Staff Classification	Number of IT Rank and File Staff in Classification	Number of IT Rank and File Staff in Classification Eligible to Retire in Next 5 Years	IT Management Staff Classification	Number of IT Management Staff in Classification	Number of IT Management Staff in Classification Eligible to Retire in Next 5 Years
SSSII	2	50%	DPMII	1	100%
Senior PA	2	50%	Senior ISA (Sup)	2	100%
Senior ISA	1	0%			
Staff PA	1	0%			
Staff ISA	5	80%			
Assoc. ISA	5	60%			
Assoc. SSS	2	0%			
Telecom Analyst.	1	100%			
Assist. ISA	4	25%			
Info Sys. Tech	3	0%			

Project Management, Portfolio Management and IT Governance

D.1. Does your organization have a process for improving the alignment of business and technology?

- Yes
 No

If yes, briefly describe it.

CUIAB currently uses an IT Strategic Planning Process that is aligned with the Agency Strategic Plan under the direction of the IT Steering Committee. CUIAB is in the planning stages of the development of a more effective process to ensure the alignment of IT with the business. This process will ensure that the various processes by which the Business and IT manages its IT resources (Agency Strategic Planning, IT Strategic Planning, Enterprise Architecture, Investment Management, Program Management) constitute a coordinated and integrated whole.

D.2. What is the status of implementing a formal portfolio management methodology for technology projects within your organization?

Implemented (Please describe)

Implementation in progress (Please describe)

Planned or planning in progress
 Not implemented and not planned

D.3. List any automated tools being used for portfolio management. Enter "None" if no automated tools are being used.

None

D.4. What is the status of implementing a standard project management methodology for technology projects in your organization?

Implemented (Please describe)

CUIAB utilizes the Project Management Methodology described within PMI and in the Statewide Information Management Manual (SIMM) section 200. Refer to Attachment 1 *Information Technology Project Management Policy* for details.

Implementation in progress (Please describe)

Planned or planning in progress
 Not implemented and not planned

Project Management, Portfolio Management and IT Governance

D.5. Does the organization require its project managers to be certified, either through a professional organization (e.g., PMI, ITIL) and/or through completion of specified project management coursework:

- Yes**
 PMI
 ITIL
 Agency-specified project management coursework (identify below)
- No**

D.6. Select from the list other areas of training your organization requires of its project managers:

- Fundamental Project Management**
 Systems Development Life Cycle
 Scheduling tool (identify below)
 -
 -
 -
 Project Performance Management (e.g., Earned Value Management)
 Business Process Analysis
 Requirements Traceability
 Procurement/Contracts Management
 Other (identify below)
 -
 -
 -
 None

D.7. Describe project-level governance practices, including change management, issue resolution, and problem escalation.

Refer to Attachment 1 *Information Technology Project Management Policy* for details.

D.8. Does the project management methodology include processes for documenting lessons-learned and applying these to future projects?

- Yes (Please describe)**

Documenting the lessons-learned is conducted during the project closure phase, specifically during the project retrospective. A meeting of all team members is conducted; problem areas and successes are identified, documented, and filed for future reference. Refer to Attachment 1 *Information Technology Project Management Policy* for details.

- No**

California Unemployment Insurance Appeals Board

INFORMATION TECHNOLOGY PROJECT MANAGEMENT POLICY

Version 1.1
July 01, 2006



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Appendix A: Project Classification Worksheet **A-1**

- Determine the Size Rating of the Project A-1
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Appendix B: Project Management Practices and Products **B-1**



1.0 OVERVIEW

The objective of the Information Technology (IT) Project Management Policy is to ensure that IT projects are conducted in a disciplined, well-managed, and consistent manner that promotes the delivery of quality products and results in projects that are completed on time and within budget.

2.0 PURPOSE

The purpose of this policy is to provide guidance for developing and implementing a project management methodology.

3.0 SCOPE

This policy has a general applicability to the management of all IT projects in CUIAB.

4.0 POLICY

4.1 GENERAL (DEFINITIONS)

4.1.1 Project: a temporary process, which has a clearly defined start and stop time, a set of tasks, and a budget, that is developed to solve a well-defined goal or objective. Information technology project means a project for a computer, telecommunications or other information technology new implementation or improvement and includes any such project that has proposed expenditures for: (1) new or replacement equipment or software; (2) upgrade improvements to existing equipment and any computer systems, programs or software upgrades therefore; or (3) data or consulting or other professional services for such a project.

4.1.2 Project Management: directing the activities associated with executing a project while controlling limited resources efficiently and effectively, ensuring that the end goal is successfully achieved.

4.1.3 Project Manager: has total responsibility for a project and its successful completion.

4.1.6 Configuration Management: the function responsible for identifying changes to the project and ensuring that changes to the project are carefully managed.

4.1.7 Quality Assurance: the function responsible for ensuring that the required process and standards are followed.

4.2 ROLES AND RESPONSIBILITIES

Heads of divisions, departments, agencies, boards and commissions, are responsible for establishing procedures for their organization's compliance with the requirements of this policy. The project manager has the basic responsibility for implementing the policy.

4.3 GUIDELINES

4.3.1 The following six project management component statements below, taken together, form the core of CUIAB's policy for management of information technology projects.

4.3.2 Requirements Management: All projects must include a well-defined problem statement with well-defined business and technical requirements that assure the IT solution satisfies the business need. Requirements must be thoroughly documented and understood by the project team. Changes to requirements must be managed throughout the life of the project.

4.3.3 Project Planning: Each project manager must develop, maintain and follow a written plan that defines project goals, processes, and resource estimates (in terms of schedule, cost and development). The project plan must be updated throughout the life of the project to accurately reflect the current plan.

4.3.4 Project Tracking: Project managers must continuously track the progress of all projects against the project plan.

4.3.5 Configuration Management: Configuration Management (CM) must be performed on all projects in accordance with established organizational CM procedures. These processes must ensure that controlled and stable baselines are established for planning, managing and building the system; the integrity of the system's configuration is controlled over time; and the status and content of the baselines are known.

4.3.6 Risk Management: Risks associated with each IT project must be identified, analyzed and prioritized. Identified risks must be controlled through the process of project planning and monitoring. Risk identification and management must be integrated components of project management and will be continuously assessed and analyzed during the life of the project.

4.3.7 Training: The requirements for end-user training associated with each IT project must be identified, and necessary training must be provided in a timely manner.

4.3.8 Project Closeout: CUIAB must maintain procedures for conducting lessons learned on IT projects during a project closeout process. Closeout is determined when project objectives have been met and users have reviewed and accepted the system. The process includes capturing lessons learned and archival of project records.



Implementation of Project Management Methodology

The CUIAB IT department will implement the procedures outlined in this document to meet the requirements of the Information Technology Project Management Policy. In general, the IT department will follow the guidelines, models, forms and templates found in the State of California SIMM Section 200, *Project Management Methodology*.

The following categories of information are provided for each policy statement.

- summary of the policy implementation guidelines
- requirements
- references to the specific areas of the Information Technology Project Management Policy

Methodology document in which the policy is discussed

- restatement of the policy
- purpose
- overview
- objectives
- responsibilities
- evidence of compliance

REQUIREMENTS MANAGEMENT

Summary of Requirements Management Policy

The requirements management policy requires that all information technology (IT) projects must include a well defined problem statement with well-defined business and technical requirements that assure the IT solution satisfies a business need. Requirements must be thoroughly documented and understood by the project team. Changes to requirements must be managed throughout the life of the project.

Implementation Guidelines for Requirements Management

Requirements definition is one of the most crucial steps in the process of creating a project. Without well-defined requirements, managers cannot plan a project, developers and integrators do not know what to build, customers do not know what to expect, and there is no way to validate (i.e. test) that the system satisfies the needs of the organization.

The project manager is responsible for ensuring that technical requirements are defined and the program or business manager is responsible for ensuring that the business/operational requirements are met.

Requirements Specification Requirements

At each stage of the project, additional information is derived and documented. Requirements specification will vary from project to project, based on size, complexity, and business impact of the project.

State organizations ensure that requirements are documented and understood for IT projects, but the degree of specification and the formality of the specification may vary. At a minimum, each

project must have a business needs statement. The remaining specifications and requirements traceability tools are applied as necessary, based on organization-specific management and development procedures.

References to Requirements Guidelines

Guidelines for requirements management are provided as part of the State of California SIMM Section 200, *Project Management Methodology* document in the Project Management Planning Top Level Requirements Specifications section.

REQUIREMENTS MANAGEMENT POLICY

Policy Statement:

All projects must include a well-defined problem statement with well-defined business and technical requirements that assure the IT solution satisfies the business need. Requirements must be thoroughly documented and understood by the project team. Changes to requirements must be managed throughout the life of the project.

Purpose:

To ensure that project requirements form the basis for all planning and development efforts and that changes to requirements are managed throughout the life of the project.

Overview:

Requirements establish and maintain an understanding and agreement of the capabilities of the project. Requirements statements, which will evolve over the life of the project, form the basis for estimating, planning, performing, and tracking the projects activities and are critical to obtaining acceptance of the product at the end of the project. Control of the requirements is directly related to control of the project.

Objectives:

- Ensure that system requirements provide a clearly stated, verifiable, and testable foundation for development and management of the project, based on business and technical requirements.
- Ensure that the scope of a development effort is defined by the system requirements and that these requirements form the basis for all plans, products and activities.
- Ensure that project team members thoroughly understand requirements prior to developing a product or procuring commercial products for the project.
- Record initial project requirements and review and assess the impact of all changes to the initial requirements throughout the life of the project.
- Track and document all changes to requirements and update all necessary technical and management project documentation affected by the change.
- Define, collect, and store metrics (measurements) associated with the requirements phase.

Responsibilities:

The project manager has primary responsibility for implementing this policy.

Evidence of Compliance:

Refer to Appendix B: *Project Management Practices and Products* to determine requirement compliance levels based on the size and criticality of the project

PROJECT PLANNING

Summary of Project Planning Policy

The project planning policy requires that each project manager must develop, maintain and follow a written plan that defines project goals, processes, and resource estimates (in terms of schedule, cost and development). The project plan is updated throughout the life of the project to accurately reflect the current plan.

Implementation Guidelines for Project Planning

Project planning defines the work and describes how the tasks will be executed. Planning begins with the definition of the specific work to be performed and other constraints and goals that define and bind the project. The planning process includes the steps to estimate:

- the size of a project
- the technological scope of the effort: and
- the resources required to complete the project.

The planning process results in the production of a schedule, identification and assessment of risks, and negotiation of commitments. Repetition of these steps is necessary to establish the project plan and to ensure a buy-in by those responsible for the project. Typically, several iterations of the planning process are performed before a plan is actually completed.

Project Planning Requirements

The project plan forms the basis for management efforts associated with the project. It represents the basic tool for successfully executing a project. The plan includes the following types of elements, with the degree of definition varying between projects of different scope:

- Sequence of tasks to be performed
- Deliverables associated with the project
- Dependency relations between tasks
- Resources required to perform a task
- Schedule of tasks to be performed
- Budget for performing tasks
- Organization used to execute the project
- Risks associated with executing the project
- Process for ensuring quality
- Process for configuration management

The project manager has primary responsibility for implementing the project plan and maintaining it over the course of the project. Project planning requirements will vary by project and are typically determined by the size, cost, complexity and impact on the business.

References to Project Planning Guidelines

Guidelines for project planning are provided in the State of California SIMM Section 200, *Project Management Methodology* document in the Project Management Planning section. In addition,

Appendix A *Project Classification Worksheet* includes the Project Classification Worksheet used to determine the size and risk of a project.

PROJECT PLANNING POLICY

Policy Statement:

Each project manager must develop, maintain and follow a written plan that defines project goals, processes, and resource estimates (in terms of schedule, cost and development). The project plan must be updated throughout the life of the project to accurately reflect the current plan.

Purpose:

To ensure proper planning is performed for successful project completion.

Overview:

Project planning includes developing estimates for the work to be performed, establishing the necessary commitments, and defining the plan to perform the work. The development plan addresses the commitments in terms of resources, constraints, and capabilities of the project. Finally, the plan provides the basis for guiding the management and the performance of the project and evaluating the work progress.

Objectives:

- Develop a plan for each project that appropriately and realistically covers the activities and commitments (based on documented requirements) and breaks down the development effort into manageable components.
- Ensure that all affected groups and individuals (e.g., developers, external users, internal customers, stakeholders, etc.) Understand the planning estimates and Assignments and commit to support them.
- Document all approved estimates and plans for tracking activities and commitments. Project estimates are refined throughout the project phases. As issues are better understood, estimates for later project phases are updated based on project specific data rather than formula-based assumptions.
- Perform project planning in accordance with organizational procedures and in a manner that is consistent with the complexity and risk of the effort.

Responsibilities:

The project manager has primary responsibility for implementing this policy.

Evidence of Compliance:

Refer to Appendix B: *Project Management Practices and Products* to determine project planning compliance levels based on the size and criticality of the project

PROJECT TRACKING

Summary of Project Tracking Policy

The project tracking policy requires that project managers continuously track and monitor the progress of IT projects against the plan.

Once a project has advanced to the execution phase of performance, a project team and the necessary resources should be in place ready to perform, and the project plan should have been developed and baselined. The project manager is responsible for implementing the project tracking policy.

Implementation Guidelines for Project Tracking

During the implementation phase, the focus shifts from discovery to participating, observing, and ensuring that the plan is being successfully executed. The project plan serves as the basis for the projects monitoring, controlling, and reporting activities. By following the plan and gathering relevant data for status meetings and reports, information will be available to accurately identify issues and problems early, minimize project risks, and monitor, control, and report progress.

Project Tracking Requirements

Projects often fail due to inattention to basic control principles. Project tracking can help avoid this scenario by defining processes to:

- Track and monitor project activities to compare actual performance to planned performance
- Review and communicate status and future actions on both a formal and informal basis.
- Monitor and mitigate potential problems, thus reducing their likelihood of occurrence.
- Establish a change management process to control changes to the projects objectives, specifications and overall definition.
- Establish an issue tracking process to ensure that there is a central repository for project issues that are addressed in a timely fashion.
- Establish a corrective action process to document and track plans to correct an issue that impacts the stated plan and to establish guidelines for re-planning.

Project tracking requirements will vary by project, based on size, cost, complexity and impact on the business. The management of a project includes processes for successfully tracking and communicating project status and performing risk assessments. The formality of this tracking process may change based on the specific project. The project manager has responsibility for tailoring all elements of the methodology to meet the specific needs of a project.

References to Project Tracking Guidelines

Guidelines for Tracking Guidelines are provided in the State of California SIMM Section 200, *Project Management Methodology* document.

PROJECT TRACKING POLICY

Policy Statement:

Project managers must continuously track the progress of all projects against the project plan.

Purpose:

Project managers will ensure that the project is continuously tracked and that appropriate action are taken.

Overview:

Project tracking involves monitoring and reviewing the project accomplishments and results against documented estimates contained in the development plan, and adjusting these estimates based on the actual accomplishments and results. A documented and up-to-date plan for the effort is used as the basis for tracking activities, communicating status and revising plans. Changes in project scope and status have a cascading effect on testing, documentation and roll-out planning. Regular technical and management reviews are conducted to ensure that the management and staff are aware of the project status and plans, and that issues receive appropriate attention.

Objectives:

1. Ensure that actual results and performance of the project are regularly tracked against documented and approved plans.
2. Ensure that risk assessment is performed during key points in the project.
 - a. Ensure that corrective actions are taken when the actual performance of the project deviates from the plans.
 - b. Ensure that changes to commitments (e.g., assignments, budget, schedule) are understood and agreed to by all affected groups and individuals.

Responsibilities:

The project manager has responsibility for implementing this policy.

Evidence of compliance:

Refer to Appendix B: *Project Management Practices and Products* to determine project tracking compliance levels based on the size and criticality of the project

CONFIGURATION MANAGEMENT

Summary of Configuration Management Policy

The configuration management policy requires that configuration management (CM) must be performed on IT projects in accordance with organizationally established CM procedures to ensure that controlled and stable baselines are established for planning, managing, and building IT systems. As part of this process, the integrity of the systems configuration is controlled over time, and the status and content of the baselines are known.

Implementation Guidelines for Configuration Management

Configuration management is a formal discipline that provides developers and users with the methods and tools to identify the product developed, establish baselines, control changes to these baselines, record and track status, and audit the product. During the planning process, the procedures and required resources for CM are defined and the control items that will be tracked are identified. The goals for configuration management planning are to:

- Explicitly assign authority and responsibility for CM for the project.
- Ensure that CM is implemented throughout the project's life cycle by setting standards, procedures and guidelines that are produced and distributed to the full project team.
- Ensure that configuration management has a repository for storing configuration items and associated CM records.
- Ensure that reviews of baselines and CM activities occur on a regular basis.
- Ensure that changes are controlled and that the impacts of changes on the hardware and software configuration are understood prior to approving a change.

Configuration Management Requirements

A CM plan is included as part of the project plan or it can appear as a separate document or as sections within an overall quality plan. The degree of specification of the CM plan is dependent on the size, cost, complexity and impact on the business.

References to Configuration Management Guidelines.

Guidelines for configuration management are provided in the State of California SIMM Section 200, *Project Management Methodology* document in the Project Management Planning section.

CONFIGURATION MANAGEMENT POLICY

Policy Statement:

Configuration Management (CM) must be performed on all projects in accordance with established organizational CM procedures. These processes must ensure that controlled and stable baselines are established for planning, managing and building the system; the integrity of the system's configuration is controlled over time; and the status and content of the baselines are known.

Purpose:

To ensure that the project baselines are managed and changes to the baseline are controlled.

Overview:

CM involves identifying project baseline items, controlling these items and changes to them, and recording and reporting status and change activity for these items. Changes to the baseline items are controlled systematically using a defined change control process. The configuration of a system or any of the controlled intermediate or support products can be distinctly identified at any point in time.

Objectives:

1. Explicitly assign responsibility for CM for each project.
2. Ensure that each project has a CM plan.
3. Ensure CM work is performed according to the project plan.
4. Ensure that CM is implemented on products throughout the project=s life cycle.
5. Ensure that CM is implemented for externally-delivered products and for appropriate products used inside the organization.
6. Ensure that all projects have a repository for storing configuration items and associated CM records.
7. Ensure that quality assurance audits of the baselines and CM activities are performed on a regular basis.

Responsibilities:

The project manager has primary responsibility for implementing this policy.

Evidence of compliance:

Refer to Appendix B: *Project Management Practices and Products* to determine configuration management compliance levels based on the size and criticality of the project

RISK MANAGEMENT**Summary of Risk Management Policy**

The risk management policy requires that risks associated with IT projects must be identified, analyzed and prioritized. Identified risks must be controlled through the process of project planning and monitoring. Risk identification and management is an integrated component of project management and must be continuously assessed and analyzed during the life of a project. When significant risks are identified for a project, a risk manager should be assigned to assist the project manager in risk management.

Implementation Guidelines for Risk Management

A risk is any factor that may potentially interfere with successful completion of the project. The existence of risk is not a bad thing; the absence of risk analysis and mitigation measures is, however, not a good thing. Every project has risks. The challenge is to fully identify risks and invest in working them rather than ignoring them.

Part of controlling a project during the performance life cycle phases is to have an established risk management process that is unique to the project. Risk management deals with the following risk phases:

- Risk identification
- Risk analysis and quantification
- Risk mitigation planning
- Risk response

The risk management plan documents the procedures that will be used to manage risk throughout the project. In addition to documenting the results of the risk identification and analysis phases, it covers who is responsible for managing various areas of risk. How risks will be tracked throughout the life cycle, how contingency plans will be implemented, and how reserves will be allocated to handle risks.

Risk assessment is used as an assessment tool in project oversight. The ITEC has adopted a Risk Assessment Model (RAM) tool to assist departments in assessing the risk of its project quickly and in automated fashion. The RAM must be completed on all IT projects and submitted to the branch Chief Information Technology Officer (CITO) at project initiation when seeking project approval and as requested by the CITO in a project oversight role.

Risk Management Requirements

The procedure that the project team will use to manage project risk is defined in the planning stage, documented in the project plan, and executed throughout the life of the project. The scope of the risk management plan is dependent on the size, cost, complexity and impact on the business.

References to Risk Management Guidelines

Guidelines for risk management are provided in the State of California SIMM Section 200, *Project Management Methodology* document in the Risk Monitoring and Mitigation sections.

RISK MANAGEMENT POLICY

Policy Statement:

Risks associated with each IT project must be identified, analyzed and prioritized. Identified risks must be controlled through the process of project planning and monitoring. Risk identification and management must be integrated components of project management and will be continuously assessed and analyzed during the life of the project.

Purpose:

To ensure that risks associated with a project are well understood so they can be managed, planned for and mitigated during the execution of the project.

Overview:

Assessing projects risks will help project managers make more informed decisions and ensure more successful outcomes. Risk assessment is not problem management but is a process that reduces the likelihood of problems occurring. The risk management process must be integrated with the other elements of project management to ensure consistency in process. Project risks involve exposure to events such as: failure of the project to obtain anticipated benefits, costs that exceed planned levels, extended project schedules and poor performance of a system.

Objectives:

1. Risk identification will be led by the project manager, with the assistance of team members with various perspectives, such as technical, user, and management. Risks are listed, analyzed for probability of occurrence and potential impact on the project, and prioritized. Risk identification occurs at the beginning of the project and continues throughout the projects life cycle. Management must ensure that the project team openly and routinely discusses and analyzes risks throughout the life of the project.
2. Risk management planning produces plans for addressing each major risk item and coordinates individual risk plans to the overall plan. Risk planning assures that project schedules and cost estimates are adjusted to ensure that adequate time is allocated to properly develop and execute risk mitigation measures when required.

3. Risk management monitoring and control involves tracking the progress toward resolving high risk items and taking corrective action when appropriate. The top risk items are highlighted as part of the project reviews.

Responsibilities:

The project manager has primary responsibility for implementing this policy.

Evidence of Compliance:

Refer to Appendix B: *Project Management Practices and Products* to determine risk management compliance levels based on the size and criticality of the project

TRAINING**Summary of Training Policy**

The training policy requires that end-user training associated with each IT project must be identified and provided in a timely manner as necessary.

Implementation Guidelines for Training

Many IT projects include the introduction of new technologies or changes in the way user processes are done. Confusion, frustration, and resentment result if these technologies or changes are introduced to the user community without adequate training. Part of controlling a project during the implementation life cycle phase is to have an established training plan that is unique to the project. The training plan deals with the following training phases:

- Training requirements identification
- Analysis and quantification
- Planning
- Delivery

Training Requirements

The procedure that the project team will use to provide end-user training is defined in the planning stage, documented in the project plan, and executed when necessary throughout the life of the project. The scope of the training plan is dependent on the size, cost, complexity and impact of the project on the business.

References to Risk Management Guidelines

Guidelines for training are provided in the State of California SIMM Section 200, *Project Management Methodology* document in the Risk Monitoring and Mitigation sections.

TRAINING POLICY**Policy Statement:**

The requirements for end-user training associated with each IT project must be identified, and necessary training must be provided in a timely manner.

Purpose:

To ensure that any end-user training requirements associated with a project are well understood so they can be managed, planned for and delivered during the execution of the project.

Overview:

Assessing a projects training requirements will help project managers make more informed decisions and ensure more successful project outcomes.

Objectives:

1. Training requirements identification will be led by the project manager, with the assistance of team members with various perspectives, such as technical, user, and management. Management must ensure that the project team openly and routinely discusses and analyzes training requirements throughout the life of the project.
2. Analysis and quantification helps determine the level and priority of training required.
3. Training planning produces plans for addressing each training requirement.
4. Delivery planning ensures that the required training is provided in a timely fashion.

Responsibilities:

The project manager has primary responsibility for implementing this policy.

Evidence of Compliance:

Refer to Appendix B: *Project Management Practices and Products* to determine training compliance levels based on the size and criticality of the project

PROJECT CLOSE-OUT**Summary of Project Close-Out Policy**

The project close-out policy requires that IT projects must follow a project close-out process upon completion of the project that includes development of a Post Implementation Evaluation Report (PIER) to capture lessons learned and archival of project records based on organizationally defined requirements.

Implementation Guidelines for Project Close-Out

The key elements associated with project close-out include re-disbursement of resources, completion and archiving of project records, documentation of the successes and issues associated with the project, celebrating success of the project and conducting a lessons learned session.

The purpose of conducting a formal project close-out is to document lessons learned. This means that problems that were encountered by the project team must be able to be openly presented so that process improvements can occur to eliminate the cause of the problems. It is important that the discussions do not merely point a finger away from the project team; responsibility for problem areas must be completely discussed. It is helpful to conduct an interactive session to gather the lessons learned.

Summary information about the project should be collected and archived, based on organizationally defined procedures. Typical information that is archived includes a description of the project, a project organization chart, budgeted and actual cost, budgeted and actual schedule

and the project close-out report. Assumptions associated with the project values and changes that were documented throughout the project are also useful to archive.

Project Close-Out Requirements

It is the responsibility of the project manager to ensure that a project is properly closed out.

References to Project Close-Out Guidelines

Guidelines for project close-out are provided in the State of California SIMM Section 200, *Project Management Methodology* document in the Project Close-Out section.

PROJECT CLOSE-OUT POLICY

Policy Statement:

The CUIAB IT department must maintain procedures for conducting lessons learned on IT projects during a project close-out process. Close-out is determined when project objectives have been met and users have reviewed and accepted the system.

Purpose:

To ensure that lessons learned from projects are captured for use in continual process improvement.

Overview:

The formal closing of a project reflects the temporary nature of a project. A project is closed when the objectives for the project have been met. Upon completion of the project, resources are reassigned, project records are archived (per organizationally defined procedures), and the lessons learned on the project are determined and documented.

Objectives:

1. Ensure that continuous organizational improvements can be achieved through recognition of the successes and problems associated with execution of the project.
2. Develop a repository of project metrics that can be used to facilitate future project cost and schedule estimation.
3. Develop organizational standards for archiving project data so that consistent information is saved for all projects.

Responsibilities:

The project manager has primary responsibility for implementing this policy. The entire team participates in lessons learned.

Evidence of Compliance:

Refer to Appendix B: *Project Management Practices and Products* to determine project close-out compliance levels based on the size and criticality of the project

Appendix A: Project Classification Worksheet

This section describes the process IT will use to determine the size and criticality level of a project. The process is designed to assess the size, risk, impact and/or criticality of IT projects to determine the project management practices and products for a particular project. The steps for determining a project's classification are described below.

Determine the Size Rating of the Project

The "Project Size Categorization Table" shows categories and example characteristics. Use the table to determine the size categorization of the project. Note that a particular project usually does not fall in the same category across all characteristics. The team should pick the category that is most representative of their project. The category identified during the Project Initiation may change as a result of more information during the course of the project.

Table 1. Project Size Categorization Table

Project Characteristic	Small Project	Medium Project	Large Project
Staff Size	Project Manager + 0-3	Project Manager + 4-10	Project Manager, Project Leads, and 11+ Team members
Duration	0-3 months	3-12 months	12+ months
Interdepartmental Input	Part-time subject matter expertise	Significant input from other departments	Significant input from multiple departments.
Business Case	Concept Paper/Project Data Sheet	Project Charter	Feasibility Study
Schedule Detail	For project	By phase or version	By phase or version
Project Status Review	Weekly	Weekly	Varies by stage
Quality Assurance	By project team	By project team	By project team and separate QA group
Risk Assessment	By project team	By project team with review by project sponsor	By each project lead and the Project Manager with the project sponsor
Configuration Management	Impact analysis by project team, approval by Project Manager	Impact analysis by project team and final approval by project sponsor	Impact analysis by project team, review by change committee, final approval by project sponsor

Determine the Risk/Criticality of the Project

The “Project Risk/Criticality Categorization Table” is used to access the risk, sensitivity and/or criticality of IT projects. Use the table to determine whether the project falls into the low, medium, or high risk/criticality category. Note that a particular project usually does not fall in the same category across all characteristics. The team should pick the category that is most representative of their project. The category identified during the Project Initiation may change as a result of more information during the course of the project.

Table 2. Project Risk/Criticality Categorization Table

Project Characteristic	Low R/C	Medium R/C	High R/C
Estimated one-time Costs	Under \$250k	\$250k to \$1m	Over \$1m
User Impact	Minimal user impact	One or more departments or Field Offices affected	All users affected
Hardware – New Install	Local Desktop/Server	Distributed/Enterprise Server	Infrastructure
Hardware – Update	Local Desktop/Server Distributed/Enterprise Server	Infrastructure	N/A
Software – Custom Development	Local Desktop / Server	Departmental	Distributed / Enterprise Server
Software – COTS Installation	Local Desktop/Server	Departmental	Distributed / Enterprise Server
Software – COTS Update	Local Desktop/Server	Distributed / Enterprise Server	N/A
Software - Infrastructure	N/A	Middleware / Layered Product / DBMS	N/A

Determine the Project Management Practices and Products

Once the size and criticality of a project have been determined, use Appendix B: *Project Management Practices and Products* to determine the required project management practices and products for the project.

Appendix B: Project Management Practices and Products

	Small Size/Low Risk	Small Size/Med Risk Med Size/Low Risk	Small Size/High Risk Med Size/Med Risk Large Size/Low Risk	Med Size/High Risk Large Size/Med Risk	Large Size/High Risk
Planning/ Tracking	Formal identification of the project business case, project goals, objectives, expected outcomes, etc. (i.e. project charter)	Formal identification of the project business case, project goals, objectives, expected outcomes, etc. (i.e. project charter)	Formal identification of the project business case, project goals, objectives, expected outcomes, etc. (i.e. project charter)	Formal identification of the project business case, project goals, objectives, expected outcomes, etc. (i.e. project charter)	Formal identification of the project business case, project goals, objectives, expected outcomes, etc. (i.e. project charter)
	Development of a well-defined problem statement with well-defined business and technical requirements	Development of a well-defined problem statement with well-defined business and technical requirements	Development of a well-defined problem statement with well-defined business and technical requirements	Development of a well-defined problem statement with well-defined business and technical requirements	Development of a well-defined problem statement with well-defined business and technical requirements
	Development and maintenance of a project work plan including identification of activities, milestones, and schedule	Development and maintenance of a project work plan including identification of activities, milestones, and schedule	Development and maintenance of a project work plan including identification of activities, milestones, and schedule loaded into project management software	Detailed project planning with all activities, milestones, dates, and estimated hours by task loaded into project management software	Detailed project planning with all activities, milestones, dates, and estimated hours by task loaded into project management software
			Completion of planned tasks recorded within PM software	Completion of planned tasks recorded within PM software	Completion of planned tasks recorded within PM software
				Estimated hours to complete by task recorded at least monthly within PM software	Estimated hours to complete by task recorded at least monthly within PM software
				Actual hours expended by task recorded at least monthly within PM software	Actual hours expended by task recorded at least monthly within PM software

Appendix B: Project Management Practices and Products (Page 2)

	Small Size/Low Risk	Small Size/Med Risk Med Size/Low Risk	Small Size/High Risk Med Size/Med Risk Large Size/Low Risk	Med Size/High Risk Large Size/Med Risk	Large Size/High Risk
Planning/ Tracking (continued)		Development and maintenance of a project organization chart	Development and maintenance of a project organization chart	Formal staff planning, including org chart, written roles and responsibilities, and staff training plans	Formal staff planning, including org chart, written roles and responsibilities, and staff training plans
			Development and maintenance of project cost estimates and supporting data for each cost category	Development and maintenance of project cost estimates and supporting data for each cost category	Development and maintenance of project cost estimates and supporting data for each cost category
			Recording of actual costs by cost category and comparing actual costs to budget	Recording of actual costs by cost category and comparing actual costs to budget	Recording of actual costs by cost category and comparing actual costs to budget
	Tracking and reporting of work plan activities, schedule and milestone completion status	Tracking and reporting of work plan activities, schedule and milestone completion status	Tracking and reporting of work plan activities, schedule and milestone completion status	Tracking and reporting of work plan activities, schedule and milestone completion status	Tracking and reporting of work plan activities, schedule and milestone completion status
	Tracking of issues/problems and their resolution	Tracking of issues/problems and their resolution	Formal tracking of issues/problems and their resolution, including assignment of staff responsibility for issue resolution; specific deadlines for resolution	Formal tracking of issues/problems and their resolution, including assignment of staff responsibility for issue resolution; specific deadlines for resolution	Formal tracking of issues/problems and their resolution, including assignment of staff responsibility for issue resolution; specific deadlines for resolution
	Assessment of user satisfaction at key milestones	Assessment of user satisfaction at key milestones	Assessment of user satisfaction at key milestones	Assessment of user satisfaction at key milestones	Assessment of user satisfaction at key milestones
				Formal enterprise architecture planning	Formal enterprise architecture planning

Appendix B: Project Management Practices and Products (Page 3)

	Small Size/Low Risk	Small Size/Med Risk Med Size/Low Risk	Small Size/High Risk Med Size/Med Risk Large Size/Low Risk	Med Size/High Risk Large Size/Med Risk	Large Size/High Risk
Planning/ Tracking (continued)	Project closeout activities, including collecting and archiving up-to-date project records and identifying lessons learned	Project closeout activities, including collecting and archiving up-to-date project records and identifying lessons learned	Project closeout activities, including collecting and archiving up-to-date project records and identifying lessons learned	Project closeout activities, including collecting and archiving up-to-date project records and identifying lessons learned	Project closeout activities, including collecting and archiving up-to-date project records and identifying lessons learned
Configuration Management	Controlled and stable baselines are established and the integrity of the system's configuration is controlled over time	Controlled and stable baselines are established and the integrity of the system's configuration is controlled over time	Controlled and stable baselines are established; the integrity of the system's configuration is controlled over time; and the status and content of the baselines are known.	Controlled and stable baselines are established; the integrity of the system's configuration is controlled over time; and the status and content of the baselines are known.	Controlled and stable baselines are established; the integrity of the system's configuration is controlled over time; and the status and content of the baselines are known.
		Change control/approval for key specification documents and software products	Change control/approval for key specification documents and software products	Formal configuration control, including a written configuration management plan covering change control/approval; specific staff roles and responsibilities for CM	Formal configuration control, including a written configuration management plan covering change control/approval; specific staff roles and responsibilities for CM
Risk Management	Identification, analysis, and mitigation of risks	Identification, analysis, and mitigation of risks	Formal continuous risk management, including development of a written risk management plan; identification, analysis, and mitigation of risks	Formal continuous risk management, including development of a written risk management plan; identification, analysis, and mitigation of risks; guidelines and regular management review of risks and mitigation progress	Formal continuous risk management, including development of a written risk management plan; identification, analysis, and mitigation of risks; guidelines and regular management review of risks and mitigation progress

Appendix B: Project Management Practices and Products (Page 4)

	Small Size/Low Risk	Small Size/Med Risk Med Size/Low Risk	Small Size/High Risk Med Size/Med Risk Large Size/Low Risk	Med Size/High Risk Large Size/Med Risk	Large Size/High Risk
Communications	Regular status reporting to key stakeholders, including progress against timeline and budget	Regular status reporting to key stakeholders, including progress against timeline and budget	Regular status reporting to key stakeholders, including progress against timeline and budget, risk management results and status, and issue management results and status	Formal communications management, including a written communications plan. Status reporting to key stakeholders on progress, risk management, issue management, etc. Stakeholder involvement in major project decisions.	Formal communications management, including a written communications plan. Status reporting to key stakeholders on progress, risk management, issue management, etc. Stakeholder involvement in major project decisions.
System Engineering	Formal user approval/sign-off on written specifications	Formal user approval/sign-off on written specifications	Formal user approval/sign-off on written specifications	Formal user approval/sign-off on written specifications	Formal user approval/sign-off on written specifications
			Ongoing user involvement	Ongoing user involvement	Ongoing user involvement
			Adherence to formal system development lifecycle (SDLC) methodology	Adherence to formal system development lifecycle (SDLC) methodology	Adherence to formal system development lifecycle (SDLC) methodology
			Formal quality assurance through all life-cycle phases	Formal quality assurance through all life-cycle phases	Formal quality assurance through all life-cycle phases
	Formal testing	Formal testing and user sign-off of test results	Formal testing and user sign-off of test results	Formal testing and user sign-off of test results	Formal testing and user sign-off of test results
	User sign-off of completed system	User sign-off of completed system	User sign-off of completed system	User sign-off of completed system	User sign-off of completed system

Appendix B: Project Management Practices and Products (Page 5)

	Small Size/Low Risk	Small Size/Med Risk Med Size/Low Risk	Small Size/High Risk Med Size/Med Risk Large Size/Low Risk	Med Size/High Risk Large Size/Med Risk	Large Size/High Risk
Training	Training requirements identified	Training requirements identified and documented with user sign-off	Training requirements identified and formal training plan developed with user sign-off	Training requirements identified and formal training plan developed with user sign-off	Training requirements identified and formal training plan developed with user sign-off